

CDW HOLDING LIMITED

Condensed Interim Financial Statements
For The Six Months And Full Year Ended 31 December 2023

CONTENTS

Condensed Interim Consolidated Statement of Profit or Loss 1
Condensed Interim Consolidated Statement of Other Comprehensive Income.....2
Condensed Interim Statements of Financial Position3
Condensed Interim Statements of Changes in Equity4
Condensed Interim Consolidated Statement of Cash Flows6
Notes to the Condensed Interim Consolidated Financial Statements.....7
Other Information Required by Listing Rule Appendix 7.220

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months and full year ended 31 December 2023

	Note	Six months ended 31 December			Year ended 31 December		
		2023 US\$'000	2022 US\$'000	% Increase/ (Decrease)	2023 US\$'000	2022 US\$'000	% Increase/ (Decrease)
Revenue	4	52,544	85,506	(38.5%)	109,218	147,992	(26.2%)
Cost of sales		(43,922)	(70,328)	(37.5%)	(90,502)	(122,317)	(26.0%)
Gross profit		8,622	15,178	(43.2%)	18,716	25,675	(27.1%)
Other income	7	239	602	(60.3%)	641	3,192	(79.9%)
Distribution costs		(1,203)	(2,327)	(48.3%)	(2,448)	(4,160)	(41.2%)
Administrative expenses		(8,108)	(8,660)	(6.4%)	(17,362)	(18,230)	(4.8%)
Profit/(loss) from operations		(450)	4,793	(109.4%)	(453)	6,477	(107.0%)
Finance costs	8	(249)	(391)	(36.3%)	(545)	(589)	(7.5%)
Gain on deemed disposal of an associate		-	10,103	N.M.*	-	10,315	N.M.*
Share of loss of associates		-	-	-	-	(95)	N.M.*
Profit/(loss) before tax	9	(699)	14,505	(104.8%)	(998)	16,108	(106.2%)
Income tax expense	10	(162)	(1,219)	(86.7%)	(421)	(1,867)	(77.5%)
Profit/(loss) for the period		(861)	13,286	(106.5%)	(1,419)	14,241	(110.0%)
Profit/(loss) attributable to:							
Owners of the Company		(719)	13,298	(105.4%)	(1,072)	14,410	(107.4%)
Non-controlling interests		(142)	(12)	1,083.3%	(347)	(169)	105.3%
		(861)	13,286	(106.5%)	(1,419)	14,241	(110.0%)
Earnings per share (US cent)	11						
Basic		(0.32)	5.91	(105.4%)	(0.48)	6.43	(107.5%)
Diluted		-	5.87	N.M.*	-	6.36	N.M.*

* N.M.: Not meaningful.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months and full year ended 31 December 2023

	Six months ended 31 December			Year ended 31 December		
	2023 US\$'000	2022 US\$'000	% Increase / (Decrease)	2023 US\$'000	2022 US\$'000	% Increase / (Decrease)
Profit/(loss) for the period	(861)	13,286	(106.5%)	(1,419)	14,241	(110.0%)
Other comprehensive income/(expense):						
<i>Items that may be reclassified to profit or loss:</i>						
Exchange difference on translation of foreign operations	526	(553)	(195.1%)	(852)	(2,933)	(71.0%)
<i>Items that will not be reclassified to profit or loss:</i>						
Equity investments designated at fair value through other comprehensive income:						
- Fair value loss arising during the period	(432)	(174)	148.3%	(441)	(191)	130.9%
- Income tax effect	46	24	91.7%	46	24	91.7%
	(386)	(150)	157.3%	(395)	(167)	136.5%
Other comprehensive income/(expense) for the period, net of tax	140	(703)	(119.9%)	(1,247)	(3,100)	(59.8%)
Total comprehensive income/(expense) for the period	(721)	12,583	(105.7%)	(2,666)	11,141	(123.9%)
Total comprehensive income/(expense) attributable to:						
Owners of the Company	(579)	12,646	(104.6%)	(2,319)	11,310	(120.5%)
Non-controlling interests	(142)	(63)	125.4%	(347)	(169)	105.3%
	(721)	12,583	(105.7%)	(2,666)	11,141	(123.9%)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at 31 December 2023

	Note	The Group		The Company	
		As at 31 December 2023 US\$'000	As at 31 December 2022 US\$'000	As at 31 December 2023 US\$'000	As at 31 December 2022 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	4,792	5,265	-	-
Right-of-use assets		2,280	2,517	-	-
Investments in subsidiaries		-	-	11,334	11,334
Amount due from a subsidiary		-	-	15,827	15,492
Goodwill	19	14,410	14,410	-	-
Intangible assets		603	617	-	-
Investments	5	617	1,063	-	-
Other assets		280	458	-	-
Deferred tax assets		169	107	-	-
Total non-current assets		23,151	24,437	27,161	26,826
Current assets					
Inventories	15	16,057	26,368	-	-
Trade receivables		24,683	34,443	-	-
Other receivables and prepayment		4,696	3,533	35	17
Pledged bank deposits	16	-	1,500	-	-
Cash and bank balances	16	27,273	27,257	103	160
Total current assets		72,709	93,101	138	177
TOTAL ASSETS		95,860	117,538	27,299	27,003
LIABILITIES AND EQUITY					
Current liabilities					
Income tax payable		241	775	-	-
Bank borrowings	17	6,750	11,170	-	-
Lease liabilities		1,167	1,471	-	-
Trade payables		18,242	31,815	-	-
Other payables and accruals		12,975	8,614	132	278
Amount due to an associate	14	384	487	-	-
Total current liabilities		39,759	54,332	132	278
NET CURRENT ASSETS/(LIABILITIES)		32,950	38,769	6	(101)
Non-current liabilities					
Bank borrowings	17	750	2,500	-	-
Lease liabilities		1,174	1,084	-	-
Retirement benefit obligations		619	594	-	-
Deferred tax liabilities		270	426	-	-
Total non-current liabilities		2,813	4,604	-	-
TOTAL LIABILITIES		42,572	58,936	132	278
NET ASSETS		53,288	58,602	27,167	26,725
Equity attributable to owners of the Company					
Share Capital		10,087	10,087	10,087	10,087
Treasury shares		(4,016)	(4,091)	(4,016)	(4,091)
Retained earnings		32,540	36,209	2,352	1,938
Reserves		15,920	17,293	18,744	18,791
		54,531	59,498	27,167	26,725
Non-controlling interests		(1,243)	(896)	-	-
TOTAL EQUITY		53,288	58,602	27,167	26,725
TOTAL LIABILITIES AND EQUITY		95,860	117,538	27,299	27,003

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months and full year ended 31 December 2023

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 2023	10,087	18,994	(338)	(4,091)	135	(7,020)	4,009	318	1,198	(200)	117	36,289	59,498	(896)	58,602
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(9)	(1,378)	(353)	(1,740)	(205)	(1,945)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,575)	(1,575)	-	(1,575)
Balance as at 30 June 2023	10,087	18,994	(338)	(4,091)	135	(7,020)	4,009	318	1,198	(209)	(1,261)	34,361	56,183	(1,101)	55,082
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(386)	526	(719)	(579)	(142)	(721)
Treasury shares transferred out to satisfy share options exercised	-	-	(23)	75	-	-	-	-	-	-	-	-	52	-	52
Transfer on share options exercised	-	-	-	-	(24)	-	-	-	-	-	-	24	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	1	-	-	(1)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,125)	(1,125)	-	(1,125)
Balance as at 31 December 2023	10,087	18,994	(361)	(4,016)	111	(7,020)	4,009	318	1,199	(595)	(735)	32,540	54,531	(1,243)	53,288

	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 2022	10,087	18,994	(240)	(4,392)	198	(7,020)	3,983	318	1,196	(33)	3,050	24,544	50,685	11	50,696
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(17)	(2,431)	1,112	(1,336)	(106)	(1,442)
Arising on business combination (note 19)	-	-	-	-	-	-	-	-	-	-	-	-	-	(691)	(691)
Treasury shares transferred out to satisfy share options exercised	-	-	(98)	301	-	-	-	-	-	-	-	-	203	-	203
Transfer on share options exercised	-	-	-	-	(63)	-	-	-	-	-	-	63	-	-	-
Transfer to statutory reserve fund	-	-	-	-	-	-	26	-	-	-	-	(26)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,575)	(1,575)	-	(1,575)
Balance as at 30 June 2022	10,087	18,994	(338)	(4,091)	135	(7,020)	4,009	318	1,196	(50)	619	24,118	47,977	(786)	47,191
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	(150)	(502)	13,298	12,646	(63)	12,583
Arising on business combination (note 19)	-	-	-	-	-	-	-	-	-	-	-	-	-	(47)	(47)
Transfer to reserves	-	-	-	-	-	-	-	-	2	-	-	(2)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,125)	(1,125)	-	(1,125)
Balance as at 31 December 2022	10,087	18,994	(338)	(4,091)	135	(7,020)	4,009	318	1,198	(200)	117	36,289	59,498	(896)	58,602

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months and full year ended 31 December 2023

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 2023	10,087	18,994	(338)	(4,091)	135	1,938	26,725
Total comprehensive income for the period	-	-	-	-	-	1,693	1,693
Dividend paid	-	-	-	-	-	(1,575)	(1,575)
Balance as at 30 June 2023	10,087	18,994	(338)	(4,091)	135	2,056	26,843
Total comprehensive income for the period	-	-	-	-	-	1,397	1,397
Treasury shares transferred out to satisfy share options exercised	-	-	(23)	75	-	-	52
Transfer on share options exercised	-	-	-	-	(24)	24	-
Dividend paid	-	-	-	-	-	(1,125)	(1,125)
Balance as at 31 December 2023	10,087	18,994	(361)	(4,016)	111	2,352	27,167

	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 2022	10,087	18,994	(240)	(4,392)	198	2,275	26,922
Total comprehensive expense for the period	-	-	-	-	-	(269)	(269)
Treasury shares transferred out to satisfy share options exercised	-	-	(98)	301	-	-	203
Transfer on share option exercised	-	-	-	-	(63)	63	-
Dividend paid	-	-	-	-	-	(1,575)	(1,575)
Balance as at 30 June 2022	10,087	18,994	(338)	(4,091)	135	494	25,281
Total comprehensive income for the period	-	-	-	-	-	2,569	2,569
Dividend paid	-	-	-	-	-	(1,125)	(1,125)
Balance as at 31 December 2022	10,087	18,994	(338)	(4,091)	135	1,938	26,725

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month and full year ended 31 December 2023

	The Group	
	Year ended 31 December	
	2023 US\$'000	2022 US\$'000
OPERATING ACTIVITIES		
Profit/(loss) before tax	(998)	16,108
Adjustments for:		
(Decrease)/increase in provision for inventories	(46)	334
Depreciation of property, plant and equipment	1,508	1,319
Depreciation of right-of-use assets	1,621	1,716
Amortisation of intangible assets	3	4
Interest income	(204)	(62)
Finance costs	545	589
Net loss on disposal of property, plant and equipment	66	46
Gain on disposal of asset classified as held for sale	-	(726)
Gain on fair value changes of convertible bonds	-	(1,060)
Gain on termination of lease contracts	(11)	-
Gain on deemed disposal of an associate	-	(10,315)
Retirement benefit obligations	57	97
Share of losses of associates	-	95
Reversal of expected credit losses on trade receivables, net	(11)	(86)
Reversal of expected credit losses on amount due from an associate	-	(11)
Operating cash flows before movements in working capital	2,530	8,048
Changes in working capital:		
Other assets	163	(142)
Trade receivables and other receivables	8,384	2,020
Inventories	10,006	(1,512)
Amount due to/from associates	(95)	469
Trade payables and other payables	(8,756)	(1,885)
Cash generated from operations	12,232	6,998
Net income tax paid	(863)	(1,571)
Interest paid	(457)	(463)
Net cash from operating activities	10,912	4,964
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	180	9
Proceeds from disposal of asset classified as held for sale	-	778
Decrease in loan and receivables	-	1,356
Additional investment in equity investment designated at fair value through other comprehensive income	-	(2)
Purchase of property, plant and equipment	(1,412)	(868)
Interest income received	204	62
Placement of restricted bank deposit	-	(1,500)
Release of restricted bank deposit	1,500	-
Net cash outflow arising on business combination	-	(1,135)
Decrease in time deposits with original maturity of over three months	195	145
Net cash from/(used in) investing activities	667	(1,155)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	7,764	21,622
Repayment of principal portion of lease liabilities	(1,626)	(1,732)
Repayment of interest element on lease liabilities	(88)	(126)
Repayment of bank borrowings	(13,912)	(18,684)
Dividend paid	(2,700)	(2,700)
Proceeds from share options exercised	52	203
Net cash used in financing activities	(10,510)	(1,417)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,069	2,392
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	(858)	(2,238)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,324	26,170
CASH AND CASH EQUIVALENTS AT END OF PERIOD	26,535	26,324
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at banks and on hand	18,899	24,838
Short-term deposits	7,636	1,486
Non-pledged time deposits with original maturity of over three months	738	933
Cash and cash equivalents as stated in the consolidated statement of financial position	27,273	27,257
Less: Non-pledged time deposits with original maturity of over three months	(738)	(933)
Cash and cash equivalents as stated in the consolidated statement of cash flows	26,535	26,324

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 2023 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; payment devices; 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 ended 31 December 2023 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. The 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 interim financial statements for the period ended 30 June 2023.

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 2023 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 2023 (for entities with a 31 December 2023 year-end) and could be applicable to the Group are:

- Amendments to IAS 8 Definition of Accounting Estimates
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

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 2022.

3 SEASONAL OPERATIONS

There are mild seasonal factors affecting the performance of the Group. As the Group’s major production factories are located in the People’s Republic of China (“PRC”) with major PRC festivals in such as the Chinese New Year mainly falling in the first half of the year, the Group’s production output will be affected to a certain extent due to factors such as factory workers returning to their hometowns to celebrate the Chinese New Year and going on vacation. In addition, consumer festivals such as

Christmas and New Year mainly fall in the second half of the year, usually resulting in more production orders and new models released in the second half of the year.

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) OEM and Accessories - The business of original equipment manufacturing, and manufacturing and trading of parts and precision accessories for LCD modules.
- 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 six months ended 31 December 2023

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM 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	29,374	682	2,225	-	-	32,281
Hong Kong	-	1,109	7,679	-	-	8,788
Japan	5,224	1,714	1,092	1,442	-	9,472
Other	-	78	1,914	11	-	2,003
	34,598	3,583	12,910	1,453	-	52,544
Inter-segment sales	-	2,684	214	-	(2,898)	-
Total revenue	34,598	6,267	13,124	1,453	(2,898)	52,544
Results						
Segment result	733	(745)	1,477	(910)	-	555
Unallocated corporate expenses						(1,152)
Operating loss						(597)
Interest income						147
Finance costs						(249)
Loss before income tax						(699)
Income tax expense						(162)
Loss after income tax						(861)
Assets						
Segment assets	44,171	1,764	32,008	16,523	(219)	94,247
Unallocated assets						1,613
Consolidated total assets						95,860
Liabilities						
Segment liabilities	19,928	1,942	8,908	527	(219)	31,086
Bank borrowings and lease liabilities						9,841
Unallocated liabilities						1,645
Consolidated total liabilities						42,572
Other information						
Capital expenditure	381	73	579	27	-	1,060
Right-of-use assets	468	233	923	2	-	1,626
Depreciation of property, plant and equipment	418	22	273	36	-	749
Depreciation of right-of-use assets	384	35	312	37	-	768
Increase/(decrease) in allowance for inventories	(76)	52	74	-	-	50

Business segment for six months ended 31 December 2022

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Eliminations US\$'000	Consolidated US\$'000
<u>Revenue from contracts with customers</u>						
External sales of goods by geographical markets						
Mainland China	39,092	1,089	3,015	-	-	43,196
Hong Kong	12,013	1,889	15,398	-	-	29,300
Japan	7,110	2,251	921	464	-	10,746
Other	-	124	2,115	25	-	2,264
	<u>58,215</u>	<u>5,353</u>	<u>21,449</u>	<u>489</u>	<u>-</u>	<u>85,506</u>
Inter-segment sales	-	4,164	365	-	(4,529)	-
Total revenue	<u>58,215</u>	<u>9,517</u>	<u>21,814</u>	<u>489</u>	<u>(4,529)</u>	<u>85,506</u>
<u>Results</u>						
Segment result	5,696	(71)	2,515	(540)	-	7,600
Unallocated corporate expenses						(2,813)
Operating profit						<u>4,787</u>
Interest income						6
Finance costs						(391)
Share of loss of an associate						<u>10,103</u>
Profit before income tax						14,505
Income tax expense						(1,219)
Profit after income tax						<u>13,286</u>
<u>Assets</u>						
Segment assets	63,220	8,754	27,804	16,265	(556)	115,487
Unallocated assets						<u>2,051</u>
Consolidated total assets						<u>117,538</u>
<u>Liabilities</u>						
Segment liabilities	25,947	3,400	11,182	178	(556)	40,151
Bank borrowings and lease liabilities						16,225
Unallocated liabilities						<u>2,560</u>
Consolidated total liabilities						<u>58,936</u>
<u>Other information</u>						
Capital expenditure	588	23	26	10	-	647
Right-of-use assets	103	4	92	-	-	199
Depreciation of property, plant and equipment	407	19	106	79	-	611
Depreciation of right-of-use assets	421	117	317	4	-	859
Increase in allowance for inventories	51	48	161	-	-	260

Business segment for the year ended 31 December 2023

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Eliminations US\$'000	Consolidated US\$'000
<u>Revenue from contracts with customers</u>						
External sales of goods by geographical markets						
Mainland China	60,678	1,679	4,648	-	-	67,005
Hong Kong	705	2,124	19,321	-	-	22,150
Japan	9,491	2,812	2,089	2,182	-	16,574
Other	-	168	3,292	29	-	3,489
	<u>70,874</u>	<u>6,783</u>	<u>29,350</u>	<u>2,211</u>	<u>-</u>	<u>109,218</u>
Inter-segment sales	-	5,313	391	-	(5,704)	-
Total revenue	<u>70,874</u>	<u>12,096</u>	<u>29,741</u>	<u>2,211</u>	<u>(5,704)</u>	<u>109,218</u>
<u>Results</u>						
Segment result	2,834	(1,388)	2,166	(1,968)	-	1,644
Unallocated corporate expenses						(2,301)
Operating loss						(657)
Interest income						204
Finance costs						(545)
Loss before income tax						(998)
Income tax expense						(421)
Loss after income tax						<u>(1,419)</u>
<u>Assets</u>						
Segment assets	44,171	1,764	32,008	16,523	(219)	94,247
Unallocated assets						1,613
Consolidated total assets						<u>95,860</u>
<u>Liabilities</u>						
Segment liabilities	19,928	1,942	8,908	527	(219)	31,086
Bank borrowings and lease liabilities						9,841
Unallocated liabilities						1,645
Consolidated total liabilities						<u>42,572</u>
<u>Other information</u>						
Capital expenditure	540	97	742	33	-	1,412
Right-of-use assets	558	247	980	13	-	1,798
Depreciation of property, plant and equipment	773	37	575	123	-	1,508
Depreciation of right-of-use assets	781	151	612	77	-	1,621
Increase/(decrease) in allowance for inventories	(101)	14	41	-	-	(46)

Business segment for the year ended 31 December 2022

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM 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	64,938	2,365	6,593	-	-	73,896
Hong Kong	18,467	3,564	28,761	-	-	50,792
Japan	12,672	4,345	2,482	877	-	20,376
Other	-	212	2,674	42	-	2,928
	96,077	10,486	40,510	919	-	147,992
Inter-segment sales	-	6,437	703	-	(7,140)	-
Total revenue	96,077	16,923	41,213	919	(7,140)	147,992
Results						
Segment result	7,209	(685)	3,996	(1,595)	-	8,925
Unallocated corporate expenses						(2,510)
Operating profit						6,415
Interest income						62
Finance costs						(589)
Gain on deemed disposal of an associate						10,315
Share of loss of an associate						(95)
Profit before income tax						16,108
Income tax expense						(1,867)
Profit after income tax						14,241
Assets						
Segment assets	63,220	8,754	27,804	16,265	(556)	115,487
Unallocated assets						2,051
Consolidated total assets						117,538
Liabilities						
Segment liabilities	25,947	3,400	11,182	178	(556)	40,151
Bank borrowings and lease liabilities						16,225
Unallocated liabilities						2,560
Consolidated total liabilities						58,936
Other information						
Capital expenditure	708	36	110	14	-	868
Right-of-use assets	704	431	527	-	-	1,662
Depreciation of property, plant and equipment	827	137	229	126	-	1,319
Depreciation of right-of-use assets	840	237	632	7	-	1,716
Increase in allowance for inventories	85	48	201	-	-	334

Other Geographical Segment information for the year ended 31 December 2023 and 2022

	Non-Current Assets		Capital Expenditure	
	Year ended 31 December		Year ended 31 December	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
PRC	4,188	4,276	616	550
Japan	1,821	1,983	337	140
Hong Kong	453	734	189	174
Others	15,903	16,274	270	4
Total	22,365	23,267	1,412	868

Non-current assets are mainly comprised of goodwill, 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 65.7% of the total revenue for the year ended 31 December 2023 (Year ended 31 December 2022: 61.0%).

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 2023				
Non-current assets measured at fair value				
Equity investments designated at fair value through other comprehensive income ("FVTOCI"):				
Listed equity investment at fair value				
(Sharp Corporation)	59	-	-	59
Unlisted equity investment at fair value				
(Electrine Inc., formerly known as LGM Co., Limited)	-	-	558	558
Total non-current assets measured at fair value	59	-	558	617
31 December 2022				
Non-current assets measured at fair value				
Equity investments designated at fair value through other comprehensive income ("FVTOCI"):				
Listed equity investment at fair value				
(Sharp Corporation)	59	-	-	59
Unlisted equity investment at fair value				
(Electrine Inc., formerly known as LGM Co., Limited)	-	-	1,004	1,004
Total non-current assets measured at fair value	59	-	1,004	1,063

Level 3 fair value measurements

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

	Equity investments designated at FVTOCI unlisted equity investment US\$'000	Financial assets at FVTPL Convertible bonds US\$'000	Total US\$'000
At 1 January 2022	1,160	800	1,960
Total gains or losses recognized in other comprehensive income	(156)	-	(156)
Eliminated on business combination	-	(800)	(800)
At 31 December 2022	1,004	-	1,004
Total gains or losses recognized in other comprehensive income	(446)	-	(446)
At 31 December 2023	558	-	558

During the period ended 31 December 2023 and 31 December 2022, 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 31 December 2023 and 31 December 2022.

	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
31 December 2023				
Unlisted equity investment at fair value	Trending analysis under market approach and equity allocation model	Equity volatility	30% to 70%	5% increase in volatility would result in decrease in fair value by US\$8,320
31 December 2022				
Unlisted equity investment at fair value	Trending analysis under market approach and equity allocation model	Equity volatility	45% to 50%	5% increase in volatility would result in decrease in fair value by US\$10,358
		Discount for lack of marketability	3% to 16%	5% increase in DLOM would result in decrease in fair value by US\$41,630

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 2023 and 31 December 2022.

6 FINANCIAL INSTRUMENTS

Categories of financial instruments

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

	The Group		The Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Financial assets:				
Equity investments designated at FVTOCI	617	1,063	-	-
At amortised cost	54,450	64,506	15,965	15,669
Financial liabilities:				
At amortised cost	40,779	56,985	132	278

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.

	2023				2022			
	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
THE GROUP								
Financial assets:								
Trade and other receivables	27,176	-	-	27,176	35,749	-	-	35,749
Cash and short-term deposits	27,637	-	-	27,637	28,828	-	-	28,828
Loans and receivables	-	-	-	-	-	-	-	1,549
Total undiscounted financial assets	54,813	-	-	54,813	64,577	-	-	64,577
Financial liabilities:								
Trade and other payables	30,938	-	-	30,938	40,760	-	-	40,760
Lease liabilities	1,216	1,226	-	2,442	1,530	1,124	-	2,654
Bank borrowing	7,133	784	-	7,917	13,763	2,600	-	16,363
Total undiscounted financial liabilities	39,287	2,010	-	41,297	56,053	3,724	-	59,777
Total net undiscounted financial assets	15,526	(2,010)	-	13,516	8,524	(3,724)	-	4,800
THE COMPANY								
Financial assets:								
Other receivables	35	-	-	35	17	-	-	17
Cash and short-term deposits	103	-	-	103	160	-	-	160
Amount due from a subsidiary	15,827	-	-	15,827	15,492	-	-	15,492
Total undiscounted financial assets	15,965	-	-	15,965	15,669	-	-	15,669
Financial liabilities:								
Other payables	132	-	-	132	278	-	-	278
Total undiscounted financial liabilities	132	-	-	132	278	-	-	278
Total net undiscounted financial assets	15,833	-	-	15,833	15,391	-	-	15,391

7 OTHER INCOME

	The Group			
	Six months ended		Year ended	
	31 December		31 December	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	147	6	204	62
Gain/(loss) on fair value changes of convertible bonds	-	(3)	-	1,060
Gain/(loss) on disposal of property, plant and equipment	61	(8)	61	-
Gain on disposal of asset classified as held for sale	-	-	-	726
Compensation from government	18	137	30	182
Reversal of provision for expected credit losses on trade receivables	11	86	11	86
Reversal of provision for expected credit losses on amount due from an associate	-	11	-	11
Sundry income	174	23	200	79
Gain on termination of leased contract	11	-	11	-
Foreign exchange gain/(loss)	(183)	350	124	986
	<u>239</u>	<u>602</u>	<u>641</u>	<u>3,192</u>

8 FINANCE COSTS

	The Group			
	Six months ended		Year ended	
	31 December		31 December	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expense on:				
Bank borrowings	198	324	457	463
Lease liabilities	51	67	88	126
	<u>249</u>	<u>391</u>	<u>545</u>	<u>589</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	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Audit fees paid to:				
Auditors of the Company	97	96	219	247
Other auditors	9	22	128	128
Non-audit fees paid to:				
Auditors of the Company	-	8	-	14
Other auditors	11	-	14	6
Employee benefits expense	8,115	11,700	19,661	23,534
Depreciation of property, plant and equipment	800	611	1,508	1,319
Depreciation of right-of-use assets	768	859	1,621	1,716
(Decrease)/increase in provision for inventories	50	260	(46)	334
Inventories recognised as an expense in cost of sales	43,922	70,328	90,502	122,317
Net loss on disposal of property, Plant and equipment	32	54	66	46
Gain on disposal of asset classified as held for sale	-	-	-	(726)
Gain on termination of lease contracts	(11)	-	(11)	-
Net foreign exchange (gain)/loss	452	(656)	583	(258)
Reversal of expected credit losses on trade receivable, net	(11)	(86)	(11)	(86)
Reversal of expected credit losses on amount due from an associate, net	-	(11)	-	(11)
Gain on deemed disposal of an associate	-	(10,103)	-	(10,315)

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 2023 and 2022 are:

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax	318	1,271	596	1,847
Deferred tax	(156)	(52)	(175)	20
	<u>162</u>	<u>1,219</u>	<u>421</u>	<u>1,867</u>

11 EARNINGS PER SHARE

Profit per ordinary share for the period based on profit attributable to owners of the Company:

	Six months ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	(0.32)	5.91	(0.48)	6.43
- Fully diluted (Note a)	-	5.87	-	6.36
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note b)	225,011,865	224,987,408	224,999,737	224,275,079
Effect of dilutive share options	1,440,257	1,708,746	1,591,478	2,240,815
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>226,452,122</u>	<u>226,696,154</u>	<u>226,591,215</u>	<u>226,515,894</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	
	2023	2022
	US\$'000	US\$'000
Declared and paid during the period:		
Dividend on ordinary shares:		
Final exempt dividend for 2022: US\$0.7 cents per share (Final exempt dividend for 2021: US\$0.7 cents per share)	1,575	1,575
Interim exempt dividend for 2023: US\$0.5 cents per share (Interim exempt dividend for 2022: US\$0.5 cents per share)	<u>1,125</u>	<u>1,125</u>
	<u>2,700</u>	<u>2,700</u>
	The Group and Company	The Group and Company
	2023	2022
	US\$'000	US\$'000
Declared but not recognized as a liability:		
Estimated dividends on ordinary shares as at 31 December:		
Final exempt dividend for 2023: US\$0.7 cents per share (Final exempt dividend for 2022: US\$0.7 cents per share)	<u>1,578</u>	<u>1,575</u>

Date payable

The Company proposed a final dividend of 0.7 US cents per ordinary shares and will be payable on 21 May 2024.

Books closure date

The Share Transfer books and Register of Members of the Company will be closed on 9 May 2024 at 5:00 pm, after which no share transfer will be effected until 5:00 pm on 10 May 2024. 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 9 May 2024 will be registered to determine shareholders' entitlement to the dividend.

13 PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2023, the Group acquired assets with a cost of US\$1,412,000 (31 December 2022: US\$868,000).

Assets with a net book value of US\$246,000 were disposed by the Group during the year ended 31 December 2023 (31 December 2022: US\$97,000), resulting in a net loss on disposal of US\$66,000 (31 December 2022: net loss of US\$46,000).

14 INVESTMENTS IN ASSOCIATES

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

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

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Share of the associates' losses for the period	-	-	-	(95)
Share of the associates' total comprehensive expense	-	-	-	(95)

(b)

	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
Amount due to an associate	384	487

The amount due to an associate is unsecured, non-interest bearing and is repayable within 12 months from the end of the reporting period.

15 INVENTORIES

	The Group	
	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
Consolidated statement of financial position:		
Raw materials	11,284	19,465
Work-in-progress	64	206
Finished goods	4,709	6,697
	16,057	26,368

	The Group			
	Six months ended		Year ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Consolidated statement of profit or loss:				
Inventories recognised as an expense in cost of sales	43,922	70,328	90,502	122,317
Inclusive of the increase/(decrease) in provision for inventories included in cost of sales	50	260	(46)	334

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

16 PLEDGED BANK DEPOSIT AND CASH AND CASH EQUIVALENTS

	The Group		The Company	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at banks and on hand	18,899	24,838	103	160
Pledged bank deposit	-	1,500	-	-
Short-term deposits	7,636	1,486	-	-
Time deposits with original maturity of over three months	738	933	-	-
	27,273	28,757	103	160

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 the fixed deposits.

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 (2022: 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 2023 for the Group was 2.2% (31 December 2022: 1.4%) per annum.

The Group's pledged bank deposit represented deposit pledged to banks to secure banking facilities granted to the Group as set out in note 17 to the consolidated financial statements. These deposits are subject to restrictions and are therefore not available for general use by the Group.

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

	The Group	
	31 December 2023 US\$'000	31 December 2022 US\$'000
JPY	362	1,938
US\$	14,807	9,617
HK\$	215	289
RMB	75	9
SG\$	76	119

17 BANK BORROWINGS

	Maturity	The Group	
		31 December 2023 US\$'000	31 December 2022 US\$'000
Current:			
Bank borrowings, secured	2024 (31 December 2022: 2023)	-	2,235
Bank borrowings, unsecured	2024 (31 December 2022: 2023)	6,750	8,435
Bank borrowings, unsecured	On demand	-	500
		6,750	11,170
Non-current:			
Bank borrowings, unsecured	2025 (31 December 2022: 2025)	750	2,500
Total bank borrowings		7,500	13,670

The bank borrowings are interest bearing at rates ranging from 2.75% to 6.52% (31 December 2022: 2.65% to 6.89%) per annum.

Bank borrowings amounting to US\$5,000,000 (31 December 2022: US\$6,935,000) are unsecured and carry variable interest rates quoted by the banks with reference to their cost of fund.

Bank borrowings amounting to US\$2,500,000 (31 Dec 2022: US\$4,500,000) are unsecured and carry fixed interest rates.

Management considered the fair value of the Group's fixed rate bank borrowings is US\$2,491,000 (31 Dec 2022: US\$4,451,000).

Details of collateral

As at 31 December 2023, the Group did not pledge any bank deposit to financial institutions to secure banking facilities granted to the Group. (31 December 2022: Bank borrowings of US\$2,235,000 are secured by a charge over the Group's pledged bank deposit as set out in note 16.)

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	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Controlling shareholder:				
Advisory fee (note i)	115	57	230	57
Associates:				
Interest income (note ii)	-	-	-	45
Purchases of products (note iii)	658	670	1,150	842
Associated person of a controlling shareholder:				
Interest income (note iv)	-	-	-	13
Consideration of acquisition (note v)	-	-	-	1,517

Notes:

- (i) The Group received advisory service from the controlling shareholder at mutually agreed terms.
- (ii) The Group received interest from ABio for the amount due from ABio at mutually agreed terms.
- (iii) The Group was sold goods to Suzhou Pengfu at mutually agreed terms.
- (iv) The Group received interest from the relevant party for the loan due from the relevant party at mutually agreed terms.
- (v) The Group acquired 200,000 shares of ABio on a willing buyer – willing seller basis on normal commercial terms.

Compensation of directors and key management personnel

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Salaries, allowances and benefits in kind	1,281	1,162	2,381	2,307
Defined contribution plans	18	16	37	37
Share-based payment	-	-	-	-
	1,299	1,178	2,418	2,344
Comprise amounts paid to:				
Directors of the Company	657	688	1,257	1,168
Other key management personnel	642	490	1,161	1,176
	1,299	1,178	2,418	2,344

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 BUSINESS COMBINATION

A Biotech Co., Limited (“ABio”) ceased to be an associate of the Company and is accounted for as a subsidiary of the Group effective from 6 April 2022.

The above business combination has been accounted for using the acquisition method. ABio is engaged in the application of biotechnology to research and development of antibody related products. ABio has an antibody library which can be used to research and create new antibodies. Revenue is anticipated to be generated from the antibody library by licensing out these antibodies to other pharmaceutical companies for drug development. ABio is also a joint owner of a patented antibody for inhibiting self-proliferation of cancer stem cells. Goodwill arising on the acquisition of ABio is attributable to the anticipated profitability of ABio’s research and development projects on antibody related products.

The fair value of the identifiable assets and liabilities of ABio acquired as at the date of business combination is as follows:

	Acquiree's carrying amount before combination US\$'000	Fair value adjustment US\$'000	Fair value US\$'000
Net liabilities acquired:			
Property, plant and equipment	247	19	266
Right-of-use assets	229	-	229
Other intangible assets	9	636	645
Other receivables and prepayments	1,066	-	1,066
Other assets	80	-	80
Cash and bank balances	382	-	382
Other payables and accruals	(1,487)	-	(1,487)
Income tax payable, net	(3)	-	(3)
Amount due to group company	(1,583)	-	(1,583)
Convertible bonds	(1,860)	-	(1,860)
Lease liabilities	(167)	-	(167)
Deferred tax liabilities	-	(164)	(164)
Net liabilities	<u>(3,087)</u>	<u>491</u>	<u>(2,596)</u>
Non-controlling interests			738
Goodwill			<u>14,410</u>
Total consideration			<u>12,552</u>
Total consideration, satisfied by:			
Cash consideration			1,517
Fair value of 48.46% equity interest by deemed disposal			<u>11,035</u>
			<u>12,552</u>
Net cash outflow arising on business combination:			
Cash consideration			(1,517)
Less: cash and cash equivalents acquired			<u>382</u>
Net cash outflow			<u>(1,135)</u>

ABio contributed revenue of approximately US\$61,000 to the Group's revenue for the period from the date of business combination to the end of the reporting period. ABio incurred a loss of approximately US\$594,000 for the period from the date of business combination to the end of the reporting period and reduced the Group's profit for the reporting period by approximately US\$739,000.

If the business combination had been completed on 1 January 2022, total Group's revenue for the year from continuing operations would have been approximately US\$148,021,000, and profit for the year from continuing operations would have been approximately US\$13,911,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the business combination been completed on 1 January 2022, nor is intended to be a projection of future results.

20 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 2023, the Company did not purchase any ordinary shares under the Share Purchase Mandate and held as treasury share. As at 31 December 2023, the Company's issued fully paid up share capital was US\$10,087,084 represented by 225,487,408 ordinary shares (excluding treasury shares) and 26,689,702 ordinary shares held as treasury shares.

Treasury shares

	The Company			
	2023		2022	
	No. of shares	US\$'000	No. of shares	US\$'000
Balance as at 1 January	27,189,702	4,091	29,189,702	4,392
Ordinary Shares purchased	-	-	-	-
Treasury shares transferred out to satisfy Share Options exercised	(500,000)	(75)	(2,000,000)	(301)
Balance as at 31 December	26,689,702	4,016	27,189,702	4,091
		As at 31 December 2023	As at 31 December 2022	
Issued shares		252,177,110	252,177,110	
Less: Treasury shares		(26,689,702)	(27,189,702)	
Total number of issued shares excluding treasury shares		225,487,408	224,987,408	

During the year ended 31 December 2023, there were no sales, transfers, disposal and / or use of treasury shares, except for 500,000 (31 December 2022: 2,000,000) treasury shares which were transferred out to satisfy 500,000 (31 December 2022: 2,000,000) share options being exercised under CDW Employee Share Option Scheme 2018. As at 31 December 2023, there were 26,689,702 (31 December 2022: 27,189,702) 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 year ended 31 December 2023, 500,000 share options were exercised, 250,000 share options were lapsed, and no option was cancelled. During the year ended 31 December 2022, 2,000,000 share options were exercised and no share option was neither lapsed nor cancelled. The number of outstanding options as at 31 December 2023 was 3,500,000 (31 December 2022: 4,250,000) at an exercise price of S\$0.14.

Subsidiary Holdings

The Group did not have any subsidiary holdings for the current financial period and for the 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 2023 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.

2A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:- (This is not required for any audit issue that is a material uncertainty relating to going concern.)

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

3 Review of performance of the Group

STATEMENT OF PROFIT AND LOSS

The Group's turnover for the financial year ended 31 December 2023 ("FY2023") amounted to US\$109.2 million, which was a decrease of 26.2% or US\$38.8 million from US\$148.0 million in the previous financial year ("FY2022"). The Group's revenue for the six months ended 31 December 2023 ("2H2023") was similarly lower at US\$52.5 million as compared to US\$85.5 million for the previous corresponding period ("2H2022"). This was largely due to the combination of lower demand for the Group's LCD Backlight Units segment, the restructuring of portfolio for its Office Automation segment, and delay in the mass production of a major new product model from its OEM and Accessories segment. In addition, demand was softened by the ongoing US-China trade tensions, including the China Plus One phenomenon where manufacturers are increasingly looking to alternative sites outside of China for manufacturing. All these led to a reduction in demand for the Group's products which are part of the larger supply chain.

In line with the lower revenue, gross profit declined by 27.1% or US\$7.0 million to US\$18.7 million (FY2022: US\$25.7 million), with gross profit for 2H2023 at US\$8.6 million as compared to US\$15.2 million in 2H2022.

Other income was US\$0.6 million for FY2023 and US\$0.2 million for 2H2023. This included a gain on disposal of fixed assets, gain on foreign exchange, interest income earned, and local government compensation.

The Group expenses were 11.5% lower at US\$19.8 million with distribution expenses lower at US\$2.4 million (FY2022:US\$4.2 million), and administrative expenses amounted to US\$17.4 million as compared to US\$18.2 million the year before. The lower distribution expenses were mainly attributable to a decrease in freight and storage costs, and the packing materials used during the period under review. The decrease in administrative expenses was mainly attributable to the decrease in staff costs and related expenses, utility expenses, legal & professional fee expenses, and exchange loss arising mainly from the conversion of USD and RMB in China during the period.

Finance costs decreased slightly from US\$0.59 million to US\$0.55 million in FY2023. During the period, the Group repaid short-term bank borrowings to reduce interest expenses as interest rates stayed high.

Prior to becoming a subsidiary of the Group in April 2022, ABio had a loss in 1H2022 and the Group shared an operating loss of US\$0.1 million for the period from 1 January 2022 to 5 April 2022. After it became a subsidiary of the Group, ABio recorded a loss of US\$0.6 million which was included in the Group's operating profit for FY2022.

Income tax expense for FY2023 decreased by US\$1.4 million to US\$0.4 million as compared to US\$1.9 million for FY2022. The tax credits from the loss-making subsidiaries were not able to fully mitigate the income tax payable from the profit-making subsidiaries, which contributed to a high effective tax rate.

As a result of the above, the Group recorded a loss before income tax of US\$1.0 million for FY2023 as compared to profit before tax of US\$16.1 million for FY2022, and registered a loss after income tax of US\$1.4 million (FY2022: profit after income tax of US\$14.2 million).

ILLUSTRATIVE ADJUSTMENT FOR GAIN ON DEEMED DISPOSAL OF AN ASSOCIATE

Shareholders are advised that due to the gain on deemed disposal of US\$10.3 million was derived from the increase in fair value of the previously held equity interest in ABio which is one-off and is a non-cash item in FY2022, it will not have any impact on the operating cash flows of the Group.

For illustrative purposes only, the financial effects for adjusting to nil gain or loss on deemed disposal of the associate on the Group (the "Adjustment") based on the audited financial statements of the Group for the financial year ended 31 December 2022 are as set out below. Please note that the financial effects of the Adjustment on the Group as set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Adjustment. No representation is made as to the actual financial position and/or results of the Company and the Group after completion of the Adjustment.

	For the Year Ended 31 December 2023 (Unaudited) USD'000	Before adjustment For the Year Ended 31 December 2022 (Audited) USD'000	Illustrative Adjustment for Nil Gain/Loss on Deemed Disposal of an Associate For the Year Ended 31 December 2022 USD'000
Profit for the year (US\$'000)	(1,419)	14,241	3,846
Profit attributable to:			
- Owners of the Company	(1,072)	14,410	4,015
- Non-controlling interests	(347)	(169)	(169)
	(1,419)	14,241	3,846
Earnings per share (US Cent)			
- Basic	(0.48)	6.43	1.79
- Diluted	-	6.36	1.77

LCD Backlight Units (“LCD BLUs”)

The LCD Backlight Units segment’s revenue declined by 26.2% from US\$96.1 million in FY2022 to US\$70.9 million in FY2023, which was largely due to the slow-down in demand for ultra-thin notebook computer display systems from the Group’s customers. In FY2023, revenue from notebook computer display panels decreased by 66.5% from US\$ 23.2 million in FY2022 to US\$7.8 million.

The Group’s performance was also impacted by its principal customer which has been undergoing a display device business transformation phase to focus on the high growth, high profit products including vehicle information display units and virtual reality devices. This shift has resulted in the composition of products sold by the Group to mainly comprise of large-sized vehicle display units whilst the demand for small-sized panels scaled down.

For the year under review, the total number of LCD Backlight Units sold for the year totaled 6.3 million units, which was 15.4% lower than the 7.5 million units sold in FY2022, and the Group continued to receive pricing pressure from customers.

Office Automation

Revenue from the OA segment was US\$6.8 million, which was a 35.3% or US\$3.7 million decrease as compared to FY2022. There was also an operating loss of US\$1.4 million in FY2023 as compared to the US\$0.7 million loss in the previous financial year. The OA segment is undergoing a restructuring of portfolio and pricing to better cater to current market conditions and to improve profitability. As the Group is in the initial phase of negotiations, customers are reviewing their orders as the Group requested to adjust for low profitability or obsolete products.

During the period in review, the OA segment had started undergoing a renewal of production facilities, and the acquisition of new machinery to improve production efficiency. The management is also reviewing the current structure and composition of the segment, with the aim of organisational streamlining and resource consolidation for increased efficiency and cost savings.

OEM and Accessories

The contribution from the OEM and Accessories segment to the topline was lowered by US\$11.2 million or 27.5%, amounting to US\$29.4 million (FY2022: US\$40.5 million). This was due to a normalisation of demand in FY2023 after the surge of orders placed for POS machines at the end of 2022. Additionally, there was a delay in revenue recognition as the Group’s OEM customer encountered a design difficulty with one major model planned for 2023, resulting in a rescheduling of mass production. The mass production for this product is set to resume in 2024. Due to the above, the OEM and Accessories segment reported an operating profit of US\$2.2 million as compared to US\$4.0 million for the year before.

Others Segment

Revenue from the Life Sciences businesses in the Others segment amounted to US\$ 1.8 million (FY2022:US\$0.5 million). The Group has built a strong bond with Nihon Trim Corporation (a reputed Japanese producer of Alkaline Antioxidant Water System) and sales of their products have begun to contribute to the Group’s performance. The Life Science business is still at the initial development stage and had incurred expenses related to legal and professional services, and research and development expenses, which led to an operating loss of US\$2.0 million (FY2022: loss of US\$1.6 million).

Other businesses in this Others segment include the food and beverage, and the general trading businesses. The revenue from these businesses maintained at approximately the same level of US\$0.4 million (FY2022: US\$0.4 million) with a marginal operating loss of US\$0.1 thousand (FY2022: loss of US\$0.7 thousand). As the Group continues to progress, further milestones must be reached before the Group can unlock the targeted value from these diverse businesses.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

The consolidated total assets and liabilities were US\$95.9 million and US\$42.6 million respectively, as compared to the US\$117.5 million and US\$58.9 million recorded as at 31 December 2022.

Current assets amounted to US\$72.7 million, a decrease by US\$20.4 million or 21.9%, as compared to US\$93.1 million as at 31 December 2022. Cash and bank balances together with pledged bank deposit decreased by US\$1.5 million or 5.2% to US\$27.3 million, compared to US\$28.8 million recorded as at 31 December 2022.

Inventory levels were reduced by 39.1% to US\$16.1 million as compared to US\$26.4 million at 31 December 2022. Trade receivables were also reduced by 28.3% from US\$ 34.4 million at 31 December 2022 to US\$ 24.7 million at 31 December 2023, with the debtor turnover term of around 82 days as at the end of 2023. The Group did not change its credit term of between 60 days to 90 days to customers.

Other receivables and prepayments of US\$4.7 million (31 December 2022: US\$3.5 million) were mainly advance payment to suppliers, utility deposits, advances to staff, prepaid expenses, prepaid tax and VAT recoverable.

Total consolidated non-current assets recorded a total of US\$23.2 million as compared to US\$24.4 million as at 31 December 2022. Investments comprised of investments in quoted shares of SHARP Inc. and investment in equity shares of a Korean company, Electrine Inc.. There was a fair value loss on investments in respect of Electrine amounting to US\$0.4 million which

was recognized in other comprehensive income during the year. Investment in associate is comprised of the acquisition of a 25% equity interest in Suzhou Pengfu Photoelectric Technology Company Limited. The investment has been fully impaired in prior years due to minimal recoverable amount for Suzhou Pengfu after the consecutive years of loss made since incorporation.

In FY2022, the Group acquired 420,000 shares of ABio, thus increasing our aggregate holding to 620,000 shares or 71.5% total issued and paid-up capital of ABio, which then become a subsidiary of the Group. The aforementioned business combination had been accounted for using the acquisition method. The Group appointed an independent professional valuer to assess the fair value of the identifiable assets and liabilities of the Target Company as at the transaction completion date. The goodwill of US\$14.4 million arising on the business combination was attributable to the anticipated future economic benefits arising from the business combination that are not individually identified and separately recognized. Other intangible assets being the value of registered patent rights, and an In-Process Research & Development held by ABio were consolidated into the Group.

Property, plant and equipment amounted to US\$4.8 million (31 December 2022: US\$5.3 million) with new addition of US\$1.4 million plant and machinery, which was netted off against the depreciation charge of US\$1.5 million and disposal of assets with net book value of US\$0.3 million. There was depreciation of right-of-use assets amounting to US\$1.6 million, and the addition of right-of-use assets amounting to US\$1.8 million, which led to the right-of-use assets slightly changed to US\$2.3 million (US\$2.5 million as at 31 December 2022).

Intangible assets being the value of registered patent rights held by ABio, were consolidated into the Group in FY2022.

Total liabilities decreased to US\$42.6 million as compared to US\$58.9 million as at 31 December 2022.

In relation to the right-of-use assets as mentioned above, lease liabilities amounted to US\$2.3 million (31 December 2022: US\$2.6 million), of which US\$1.2 million was payable within one year and was classified under current liabilities (31 December 2022: US\$1.5 million). The decrease in lease liabilities represented the repayment of lease liabilities amounting to US\$1.6 million (FY2022: US\$1.7 million), and new leases during the year amounting to US\$1.7 million (FY2022: US\$1.7 million).

The Group redrew bank borrowings amounting to US\$7.8 million, while settling bank borrowings amounting to US\$13.9 million with a net repayment of US\$6.1 million during FY2023. Total outstanding bank borrowings was US\$7.5 million (31 December 2022: US\$13.7 million) of which US\$6.8 million is payable within one year (31 December 2022: US\$11.2 million).

Trade payables were reduced by US\$13.6 million to US\$18.2 million (31 December 2022: US\$31.8 million). 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 decrease in trade payables was in line with the Group's performance at year end. Other payables and accruals, mainly comprising accruals for expenses, wages payable and VAT payable, accrual cost for business operations and deposits from customers, increased to US\$13.0 million (US\$8.6 million as at 31 December 2022). The increase was mainly attributable to the deposits received for the orders of mobile payment devices to be delivered.

Income tax payable was provided and adjusted under tax rules of different jurisdictions. The income tax charge net of payment had reduced the income tax payable by US\$0.5 million to US\$0.2 million (31 December 2022 : US\$0.8 million).

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

STATEMENT OF CASH FLOWS

During the year under review, the Group generated operating cash flows of US\$12.2 million, up 74.8% from the previous year (FY2022: US\$7.0 million). Net cash generated from operating activities amounted to US\$10.9 million (FY2022: US\$5.0 million). The net cash from the operating activities was mainly attributable to the realization of cash tied up in the inventory. During the year, the Group paid income tax amounting to US\$0.9 million (FY2022: US\$1.6 million).

For investing activities, there was a net cash inflow of US\$0.7 million (FY2021: outflow of US\$1.2 million) over the year under review, mainly attributable to the release of a restricted bank deposit of US\$1.5 million, and proceeds from disposal of property, plant and equipment of US\$0.2 million, net off by the purchase of property, plant and equipment amounting to US\$1.4 million (FY2022: US\$0.9 million).

For financing activities, there was a net cash outflow of US\$10.5 million during the year under review (FY2022: US\$1.4 million). The financing activities mainly comprised the net repayment of bank borrowings amounting to US\$6.1 million during the year under review (FY2022: net proceeds from bank borrowing of US\$2.9 million). During FY2023, the Group did not purchase any shares under Shares Purchase Mandate, and repaid lease liabilities amounting to US\$1.6 million (FY2022: US\$1.7 million). In addition, the Group paid dividends to shareholders of US\$2.7 million in FY2023 (FY2022: US\$2.7 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 2023 31 December 2022

Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	23.63	26.05
- The Company	12.05	11.88

The calculation of the net asset value per ordinary share was based on the total number of 225,487,408 (31 December 2022: 224,987,408) 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 Group's core business operates in an industry with intense price competition and shortening of product life cycles. While the resumption of international travel signalled a return to a pre-COVID-19 world, the aftermath of the COVID-19 pandemic continues to be felt in the form of supply chain disruptions and inflationary pressures. Challenges such as intense price competition, continued US-China trade tensions, the prolonged Russia-Ukraine war and the recent Israel-Hamas conflict add to overall uncertainty that weighs on the global economy and by extension, the Group's operations. The Group is cognisant of these and other challenges and is forging ahead to strengthen its core business segments and building up a diversified range of businesses.

A key strategy in addressing the challenges of higher labour costs and recruitment difficulties in China is automation which the Group has been adopting at its various production facilities. Another issue is the transportation of LCD backlight components which requires a substantial amount of packaging to safeguard the contents. The Group seeks to further automate its production processes where feasible, while also exploring possible solutions such as reusing and recycling in order to reduce the amount of packaging used, which would translate into cost savings.

Other progress on the Group's diversification strategy includes the resumption of its Philippines operation in November 2023. The planned set up of the factory was previously stalled due to the eruption of the Taal volcano in early 2020 followed by pandemic-related travel restrictions. With the resumption of the Philippines production plant, manufacturing is slated to start in the second quarter of FY2024.

On a related note, the Group continues to work closely with its production partner in Thailand to maintain a diversified manufacturing base. Additionally, the Group is also in the midst of identifying expansion possibilities in Vietnam.

The Group does not believe there are any going concern issues and continues to maintain a healthy financial position and liquidity. To date, neither the Group nor any of its counterparties has exercised temporary relief, force majeure provisions or contractual obligations to terminate material contracts. In addition, the Group does not see any threat to its contractual rights or its ability to meet any material contractual obligations.

Business Segment Outlook

LCD Backlight Units

Sales for the LCD Backlight Units segment dipped by 26.2% in FY2023 largely due to the slow-down in demand for ultra-thin notebook computer display systems from customers. This was a foreseeable development with the improvement of the COVID-19 epidemic situation and return-to-office activities around the world. The Group believes that the notebook computer backlight display system performance will recover in or after year 2025 due to the notebook computer replacement cycle.

As the segment's key customer strategically shifts its market to high growth, high profit businesses centred on automotive, virtual reality and high-end personal computers, the near-term prospects for the segment may be limited. CDW will realign its manufacturing processes and capabilities so as to better match the key customer's new portfolio.

The Group has also secured a contract to provide displays backlight panel for an upcoming entertainment console and this should bode well for the Group.

Office Automation

The Office Automation segment has faced intense price competition and model obsolescence for an extended period of time. The renegotiation with customers is a paradigm shift for the Group to adjust its portfolio, pricing, and positioning to set the segment on a better heading, and progress has been made on certain products. At the same time, the Group is also investing in equipment to improve the efficiency of the OA segment.

During the period under review, the management has started reviewing the current structure and composition of the segment's companies, with the aim of organisational streamlining and resource consolidation for increased efficiency and cost savings.

OEM and Accessories

The performance of the OEM and Accessories business segment is largely tied to the health of the US retail market as the major products of this segment are directly used in payment services. Should the US retail market trend upward, this segment is projected to follow suite. A planned mass production of a Point-Of-Sales device model, which was on hold in FY2023 significantly affected the segment's performance. The production of this model will resume in FY2024.

Others Segment

For its Life Science business, the Group's subsidiary, ABio is undertaking genetic re-engineering work to modify the patented anti-Cripto-1 antibody gene sequence, to enhance its efficiency and effectiveness for a larger variety of cancer cells. After the genetic modification work is completed, various in-vitro evaluations will be conducted in-house and in-vivo evaluations will be done by external parties. If favourable results are obtained, the Group plans to conduct pre-clinical studies using mice for the target cancer types. ABio will continue to work on exploring and expanding the possibilities for its anti-Cripto-1 antibody.

Another health-related product that has made good progress in FY2023 is the trading business of Japanese alkaline water generator brand, Nihon Trim Co., Ltd. ("Nihon Trim"). The Group has built a strong bond with Nihon Trim and sales of their products have begun to contribute to the Group's performance. The Group has secured distribution rights for eastern China and Southeast Asian countries, and will continue to build this sales momentum in FY2024.

With regards to the electric boat propulsion system, the Group has built the network and laid the foundation to start sales in 2024, either via the sales of the EV propulsion system or boats equipped with the EV propulsion system. This business ties in well with the global trend of sustainable development and the Group is preparing to provide these products to other Asian countries as well.

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 Transactions

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 Kunikazu - Payment of advisory fee	Controlling shareholder	230	-

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 Hong Kong, the PRC and Japan. Revenue in Hong Kong, the PRC and Japan accounted for 20.3%, 61.3% and 15.2% of the total revenue respectively. Total revenue decreased by 26.2% to US\$109.2 million for the year ended 31 December 2023 as compared to the corresponding period in the previous year.

As at 31 December 2023, non-current assets located in the PRC, Japan, Hong Kong and other locations accounted for 18.7%, 8.1%, 2.0% and 71.2% of the total non-current assets of the Group respectively. During the year ended 31 December 2023, the

Group invested a total capital expenditure of US\$1.4 million mainly for the purchase of equipment in the PRC, and it was mainly for replacement with more efficient machinery.

10 A breakdown of sales.

	FY2023 US\$'000	FY2022 US\$'000	% Increase/ (decrease)
(a) Sales reported for first half year	56,674	62,486	(9.3%)
(b) (Loss)/profit after tax before deducting non-controlling interests reported for first half year	(558)	955	(158.4%)
(c) Sales reported for second half year	52,544	85,506	(38.5%)
(d) Profit after tax before deducting non-controlling interests reported for second half year	(861)	13,286	(106.5%)

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

	FY2023 USD'000	FY2022 USD'000
Annual Dividend		
Ordinary Dividend		
- Interim	1,125	1,125
- Final (note)	1,575	1,575
Total	<u>2,700</u>	<u>2,700</u>

Note: The final dividend is estimated dividends on ordinary shares as at 31 December 2023.

12 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

KATO Tomonori
Chairman and Chief Executive Officer

CHEUNG Chi Ming
Executive Director and Chief Financial Officer

29 February 2024