

Unaudited Third Quarter Financial Statements And Dividend Announcement for the Nine Months / Third Quarter Ended 30 September 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 periods ended 30 September 2019**

	Note	Three months / third quarter ended 30 September			Nine months ended 30 September		
		2019 US\$'000	2018 US\$'000	% Increase/ (Decrease)	2019 US\$'000	2018 US\$'000	% Increase/ (Decrease)
Revenue		25,473	23,497	8.4%	70,590	64,053	10.2%
Cost of sales		(20,232)	(18,087)	11.9%	(57,325)	(49,714)	15.3%
Gross profit		5,241	5,410	(3.1%)	13,265	14,339	(7.5%)
Other operating income		76	1,107	(93.1%)	668	1,568	(57.4%)
Distribution expenses		(574)	(476)	20.6%	(1,471)	(1,209)	21.7%
Administrative expenses		(4,057)	(4,835)	(16.1%)	(12,985)	(14,108)	(8.0%)
Finance costs		(58)	(60)	(3.3%)	(185)	(172)	7.6%
Share of loss of an associate		(225)	(21)	971.4%	(769)	(71)	983.1%
Profit / (Loss) before income tax	(1)	403	1,125	(64.2%)	(1,477)	347	(525.6%)
Income tax expense		(377)	(312)	20.8%	(465)	(754)	(38.3%)
Profit / (Loss) after income tax		26	813	(96.8%)	(1,942)	(407)	377.1%
Profit / (Loss) attributable to:							
Owners of the Company		29	900	(96.8%)	(1,936)	(233)	730.9%
Non-Controlling interests		(3)	(87)	(96.6%)	(6)	(174)	(96.6%)
		26	813	(96.8%)	(1,942)	(407)	377.1%

Note (1)

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

	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Depreciation of property, plant and equipment	378	365	1,074	1,066
Amortisation of right-of-use assets	402	-	960	-
Interest income	(86)	(193)	(315)	(506)
Net foreign exchange (gain) / loss (Note a)	(17)	(67)	175	38
Increase / (Decrease) in allowance for inventories	54	37	132	(86)
Change in fair value of derivative financial instruments	-	-	-	(6)
Net loss / (gain) on disposal of property, plant and equipment	9	1	1	(13)
Interest on borrowings	58	60	185	172
Gain on disposal of a subsidiary (Note e)	-	(921)	(11)	(921)

Note a: The foreign currency exchange loss for the nine months ended 30 September 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 periods ended 30 September 2019

	Three months / third quarter ended 30 September			Nine months ended 30 September		
	2019 US\$'000	2018 US\$'000	% Increase / (Decrease)	2019 US\$'000	2018 US\$'000	% Increase / (Decrease)
Profit / (Loss) for the periods	26	813	(96.8%)	(1,942)	(407)	377.1%
Other comprehensive expense:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translation of foreign operations	(465)	(2,615)	(82.2%)	(154)	(3,116)	(95.1%)
Release of foreign currency translation reserve upon disposal of a subsidiary	-	-	-	(11)	-	N.M*
	(465)	(2,615)	(82.2%)	(165)	(3,116)	(94.7%)
<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) / gain arising during the periods	-	(17)	(100.0%)	4	(73)	(105.5%)
- Income tax effect	-	4	(100.0%)	(2)	22	(109.1%)
	-	(13)	(100.0%)	2	(51)	(103.9%)
Other comprehensive expense for the periods, net of tax	(465)	(2,628)	(82.3%)	(163)	(3,167)	(94.9%)
Total comprehensive expense for the periods	(439)	(1,815)	(75.8%)	(2,105)	(3,574)	(41.1%)
Total comprehensive expense attributable to:						
Owners of the Company	(436)	(1,728)	(74.8%)	(2,099)	(3,400)	(38.3%)
Non-controlling interests	(3)	(87)	(96.6%)	(6)	(174)	(96.6%)
	(439)	(1,815)	(75.8%)	(2,105)	(3,574)	(41.1%)

* 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 30 September 2019

	The Group		The Company	
	As at 30 September 2019 US\$'000	As at 31 December 2018 US\$'000	As at 30 September 2019 US\$'000	As at 31 December 2018 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	5,789	5,897	-	-
Right-of-use assets	2,771	-	-	-
Prepayment for the acquisition of intangible assets	860	861	-	-
Investments in subsidiaries	-	-	11,334	11,334
Amount due from a subsidiary	-	-	16,141	16,678
Investments in associates	2,811	3,580	-	-
Equity investments designated at fair value through other comprehensive income	1,514	1,500	-	-
Other assets	206	273	-	-
Deferred tax assets	171	130	-	-
Total non-current assets	14,122	12,241	27,475	28,012
Current assets				
Inventories	11,039	10,247	-	-
Trade receivables	30,392	24,460	-	-
Other receivables and prepayments	4,808	3,896	116	59
Amounts due from associates	474	272	-	-
Loans and receivables, at amortised cost	-	2,200	-	-
Pledged bank deposit (Note b)	149	148	-	-
Cash and bank balances	22,836	35,465	62	119
Total current assets	69,698	76,688	178	178
Total assets	83,820	88,929	27,653	28,190
LIABILITIES AND EQUITY				
Current liabilities				
Income tax payable	433	836	-	-
Bank borrowings	7,865	7,886	-	-
Current portion of obligation under finance leases	37	23	-	-
Current portion of lease liabilities	1,209	-	-	-
Trade payables	15,378	17,161	-	-
Other payables and accruals	3,604	3,986	166	132
Amount due to an associate	176	39	-	-
Total current liabilities	28,702	29,931	166	132
Non-current liabilities				
Bank borrowings	111	500	-	-
Obligation under finance leases	71	71	-	-
Lease liabilities	1,598	-	-	-
Retirement benefit obligations	391	320	-	-
Deferred tax liabilities	646	626	-	-
Total non-current liabilities	2,817	1,517	-	-
Capital, reserves and non-controlling interests				
Share Capital	10,087	10,087	10,087	10,087
Treasury shares	(4,293)	(3,752)	(4,293)	(3,752)
Retained earnings	27,118	31,296	2,880	2,476
Reserves	19,386	19,841	18,813	19,247
Equity attributable to owners of the Company	52,298	57,472	27,487	28,058
Non-controlling interests	3	9	-	-
Total equity	52,301	57,481	27,487	28,058
Total liabilities and equity	83,820	88,929	27,653	28,190

Note b: As at 30 September 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 30 September 2019		As at 31 December 2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	7,865	-	7,886
Obligation under finance leases	37	-	23	-
Total	37	7,865	23	7,886

Amount repayable after one year

	As at 30 September 2019		As at 31 December 2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Bank and other borrowings	-	111	-	500
Obligation under finance leases	71	-	71	-
Total	71	111	71	500

Details of collateral

As at 30 September 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\$98,000 (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 periods ended 30 September 2019				
	The Group			
	Three months / third quarter ended 30 September		Nine months ended 30 September	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
OPERATING ACTIVITIES				
Profit / (Loss) before income tax	403	1,125	(1,477)	347
Adjustments for				
Increase / (Decrease) in allowance for inventories	54	37	132	(86)
Depreciation of property, plant and equipment	378	365	1,074	1,066
Amortisation of right-of-use assets	402	-	960	-
Interest income	(86)	(193)	(315)	(506)
Finance costs	58	60	185	172
Net loss / (gain) on disposal of property, plant and equipment	9	1	1	(13)
Retirement benefit obligations	20	12	60	50
Change in fair value of derivative financial instruments	-	-	-	(6)
Gain on disposal of a subsidiary (Note e)	-	(921)	(11)	(921)
Share of loss of associates	225	21	769	71
Share-based payment expense	12	-	12	-
Operating cash flows before movements in working capital	1,475	507	1,390	174
Change in working capital:				
Trade receivables, other receivables and prepayments	(3,472)	(2,473)	(6,874)	1,170
Inventories	(1,544)	(1,309)	(1,159)	(2,377)
Amount due to an associate	131	-	(60)	-
Trade payables, other payables and accruals	(224)	(553)	(2,246)	1,056
Cash (used in) / generated from operations	(3,634)	(3,828)	(8,949)	23
Net income tax paid	(52)	(101)	(885)	(1,484)
Interest paid	(58)	(60)	(185)	(172)
Net cash used in operating activities	(3,744)	(3,989)	(10,019)	(1,633)
INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	11	-	32	22
Decrease in other assets	43	90	69	67
Additional investment in equity investment designated at fair value through other comprehensive income	(3)	(3)	(9)	(9)
Purchase of property, plant and equipment (Note c)	(355)	(617)	(1,003)	(1,912)
Decrease in loans and receivables	-	1,700	2,200	708
Interest income received	86	193	315	506
Acquisition of a subsidiary (Note d)	-	-	-	199
Disposal of a subsidiary (Note e)	-	(2,365)	-	(2,365)
Proceeds from disposal of held for trading investment	-	-	-	14
Net cash (used in) / from investing activities	(218)	(1,002)	1,604	(2,770)
FINANCING ACTIVITIES				
Proceeds from shares issued to non-controlling interests	-	-	-	1,390
Payment for the share buyback	(381)	(321)	(541)	(321)
Proceeds from bank borrowings	11,932	8,597	20,646	17,449
Repayment of obligation under finance leases	(8)	(17)	(26)	(46)
Repayment of lease liabilities	(391)	-	(947)	-
Repayment of bank borrowings	(10,106)	(8,141)	(21,057)	(17,277)
Dividend paid	(896)	(911)	(2,487)	(2,519)
Net cash from / (used in) financing activities	150	(793)	(4,412)	(1,324)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,812)	(5,784)	(12,827)	(5,727)
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	(119)	(1,116)	198	(1,538)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,767	43,407	35,465	43,772
CASH AND CASH EQUIVALENTS AT END OF PERIOD	22,836	36,507	22,836	36,507

Note c: During the nine months ended 30 September 2019, the Group acquired property, plant and equipment with aggregate cost of US\$1,040,000 (Nine months ended 30 September 2018: US\$1,989,000) of which US\$37,000 (Nine months ended 30 September 2018: US\$77,000) was acquired by means of finance lease. Cash payment of US\$1,003,000 (Nine months ended 30 September 2018: US\$1,912,000) was made to purchase property, plant and equipment. In addition, certain property, plant and equipment were refinanced by finance leases amounting to US\$4,000 (Nine months ended 30 September 2018: Nil).

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

	The Group			
	Three months/ third quarter ended 30 September		Nine months ended 30 September	
	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:	-	-	-	-
Minority interests	-	-	-	(1)
Total cost of acquisition	-	-	-	-
Net cash inflow arising on acquisition				
Cash and cash equivalents acquired	-	-	-	325
Cash consideration paid	-	-	-	(126)
Cash flow on acquisition, net of cash and cash equivalents acquired	-	-	-	199

Note e: Gain on disposal of a subsidiary

	The Group			
	Three months/ third quarter ended 30 September		Nine months ended 30 September	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
The assets and liabilities of a subsidiary disposed during the periods are as follows:				
Current assets	-	2,789	-	2,789
Current liabilities	-	(326)	-	(326)
	-	2,463	-	2,463
Cash consideration received	-	1,954	-	-
Less: Net assets disposed of	-	(2,463)	-	(2,463)
Realisation of foreign currency translation reserve	-	1,430	11	1,430
Gain on disposal	-	921	11	921
Net cash outflow arising on disposal				
Cash and cash equivalents disposed of	-	2,365	-	2,365
Cash consideration received	-	-	-	-
Cash flow on disposal, net of cash and cash equivalents disposed of	-	2,365	-	2,365

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	-	-	-	-	-	-	-	-	-	-	-	(59)	(59)	-	(59)
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	30,090	56,494	8	56,502
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	27,982	53,999	6	54,005
Total comprehensive (expense)/income 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 translation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	27,118	52,298	3	52,301

	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 New accounting Standard	-	-	-	-	-	-	-	-	-	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 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 expense for the period	-	-	-	-	-	-	-	-	-	(13)	(2,615)	900	(1,728)	(87)	(1,815)
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 subsidiaries	-	-	-	-	-	-	(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	136	30,168	54,640	603	55,243

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

	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	-	-	-	(381)	-	-	(381)
Dividend paid	-	-	-	-	-	(911)	(911)
Balance as at 30 September 2018	10,087	18,994	(193)	(3,752)	446	2,516	28,098

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.

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 share purchased during the first quarter	571,400	75	-	-
Ordinary share purchased during the second quarter	641,800	85	20,000	3
Ordinary share purchased during the third quarter	2,740,700	381	1,810,600	318
Balance as at 30 September	<u>28,316,702</u>	<u>4,293</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.

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.

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 third quarter ended 30 September 2019, a total of 7,250,000 new share options were granted. The number of outstanding share options as at 30 September 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 period reported on and its corresponding period 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 30 September 2019	As at 31 December 2018
Issued shares	252,177,110	252,177,110
Less: Treasury shares	(28,316,702)	(24,362,802)
Total number of issued shares excluding treasury shares	<u>223,860,408</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 first quarter ended 31 March 2019, the second quarter ended 30 June 2019 and the third quarter ended 30 September 2019, there were no sales, transfers, disposal and / or use of treasury shares except for the purchase of 3,953,900 ordinary shares under the Share Purchase Mandate and held as treasury shares. As at 30 September 2019, there were 28,316,702 (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.

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 and offices. 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\$1,843,000 and lease liabilities of US\$1,902,000 for its leases previously classified as operating leases, with a corresponding decrease in the operation retained profits of US\$59,000 and its related tax impact 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 / third quarter ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	0.01	0.39	(0.85)	(0.1)
- Fully diluted (Note f)	0.01	0.39	(0.85)	(0.1)
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note g)	224,895,145	228,499,478	226,466,537	229,258,682
Effect of dilutive share options	739,029	499,112	1,496,054	535,149
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>225,634,174</u>	<u>228,998,590</u>	<u>227,962,591</u>	<u>229,793,831</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 30 September 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.**

30 September 2019 31 December 2018

Net asset value per ordinary share, excluding treasury shares (US cents)

- The Group	23.36	25.23
- The Company	12.28	12.32

The calculation of the net asset value per ordinary share was based on total number of 223,860,408 (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

In the first nine months of the financial year 2019 (“9M19”), the Group saw a rise in revenue by US\$6.5 million to US\$70.6 million as compared to the revenue of US\$64.1 million in the corresponding period in the previous year (“9M18”). The Group’s gross profit for 9M19 decreased by US\$1.0 million to US\$13.3 million from US\$14.3 million in 9M18. As a result of the overall lower utilisation rate and higher material costs for the production of larger sized LCD backlight units, the gross profit margin of the Group decreased to 18.8% in 9M19, as compared to 22.4% in 9M18.

Other operating income for 9M19 decreased by US\$0.9 million to US\$0.7 million (9M18: US\$1.6 million). This amount mainly comprised interest income earned and the government compensation arising from the compulsory closure of the food and beverage operation in Shanghai, The People’s Republic of China. In the area of expenses in 9M19, distribution expenses increased by US\$0.3 million to US\$1.5 million (9M18: US\$1.2 million) while administrative expenses decreased by US\$1.1 million to US\$13.0 million (9M18: US\$14.1 million). The increase in distribution expenses was mainly attributable to the increase in packing materials for larger sized LCD backlight units. The decrease in administrative expenses was attributable to the cost control of salary-related expenses and rental expenses. Finance costs remained low for the period under review as the Group continues to strictly uphold its low gearing policy.

The Group’s associated company, which is still in its development phase, incurred a loss in 9M19 and the Group’s share of the operating loss was US\$0.8 million accordingly.

Income tax expense for 9M19 decreased by US\$0.3 million to US\$0.5 million as compared to US\$0.8 million for 9M18. There was an income tax expenses even though the Group incurred an overall loss before income tax. This was mainly due to tax credits from the loss-making subsidiaries not being able to fully mitigate the income tax payable from the profit-making subsidiaries.

In 9M19, the Group recorded a loss before income tax of US\$1.5 million (9M18: profit of US\$0.3 million) and registered a loss after income tax of US\$1.9 million (9M18: US\$0.4 million).

LCD Backlight Units

In 9M19, revenue from the LCD Backlight Units segment increased by US\$15.2 million to US\$40.9 million (9M18: US\$25.7 million). The increase in revenue was due to the higher selling price of larger sized LCD backlight units that are being used in more premium automobiles and ultrathin notebook computers and new allocation of smartphone orders in the third quarter of the period under review, which led to an operating profit of US\$0.9 million in 9M19 (9M18: US\$1.0 million).

In terms of sales volume, the total number of units sold for the segment amounted to 5.1 million units (9M18: 6.7 million units). Approximately 1.1 million units were sold for handsets (9M18: 0.2 million units) and another 4.0 million units were sold for gamesets and automobile information displays (9M18: 6.5 million units). This was an increase of 450.0% and a decrease of 38.5% respectively.

Office Automation

The revenue from the Office Automation segment dropped by US\$2.5 million to US\$16.5 million in 9M19 as compared to US\$19.0 million in 9M18. The segment correspondingly recorded an operating profit of US\$0.4

million in 9M19 as compared to operating profit of US\$0.6 million in 9M18. The operating margin for this segment decreased from 3.3% in 9M18 to 2.7% for 9M19. The drop in sales and the operating margin was due to loss of customer orders in Japan.

LCD Parts and Accessories

The sales for the LCD Parts and Accessories segment decreased by US\$6.4 million from US\$18.7 million in 9M18 to US\$12.3 million in 9M19. The segment booked an operating profit of US\$0.2 million for 9M19 as compared to US\$1.3 million in 9M18. The operating margin for this segment decreased from 7.0% in 9M18 to 1.5% for 9M19. The drop in sales and the operating margin was attributable to some products being phased out.

Other Segment

The other segment mainly includes the food and beverage business as well as the life science business. Revenue of US\$1.1 million was generated in this segment for the period under review (9M18: US\$0.9 million). As the Life Science division is on its initial development stage, there was operating loss of US\$0.4 million for 9M19 (9M18: US\$1.8 million).

STATEMENT OF FINANCIAL POSITION

As at 30 September 2019, the Group's total assets and liabilities stood at US\$83.8 million and US\$31.5 million respectively, as compared to US\$88.9 million and US\$31.4 million as at 31 December 2018.

Current assets dropped to US\$69.7 million as at 30 September 2019 as compared to US\$76.7 million as at 31 December 2018. Cash and bank balances decreased by US\$12.7 million to US\$22.8 million as at 30 September 2019 as compared to US\$35.5 million as at 31 December 2018. Apart from the settlement of bank borrowings as explained in the statement of cash flow below, the reduction in cash level was mainly due to the financing of a longer credit term to the Group's key customers and the purchase of raw materials for larger sized LCD backlight units. Associated with the rise in revenue, trade receivables increased from US\$24.5 million as at 31 December 2018 to US\$30.4 million as at 30 September 2019. Except for the longer credit term of 120 days offered to the Group's key customer, 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\$4.8 million (31 December 2018: US\$3.9 million) mainly represented utility deposits, prepaid expenses, value added tax recoverable, sales tax prepaid and other receivable of US\$2.1 million being the sales proceeds for the disposal of interest in a subsidiary.

The non-current assets of the Group stood at US\$14.1 million for 9M19. Also included in property, plant and equipment amounting to US\$5.8 million as at 30 September 2019 (31 December 2018: US\$5.9 million) was leasehold improvement and newly purchased equipment of US\$1.0 million, which was netted off against the depreciation charge of US\$1.0 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. Prepayment for the acquisition of the intangible asset represented an advance payment for the application of research results related to life science products and their related patents.

Upon the implementation of International Financial Reporting Standard 16 Leases as explained in paragraph 5 above, right-of-use assets of US\$1.8 million was recognised as at 1 January 2019. During the period under review, additional right-of-use assets of US\$1.9 million were recognised and the amortisation of these right-of-use assets amounting to US\$1.0 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 as at 30 September 2019 was up to US\$31.5 million, representing an increase of US\$0.1 million over 9M19 (31 December 2018: US\$31.4 million). As explained in the statement of cash flows, the Group redrew bank borrowings amounting to US\$20.6 million while settling bank borrowings amounting to US\$21.1 million with a net settlement of US\$0.5 million during 9M19. Total outstanding bank borrowings was US\$8.0 million as at 30 September 2019 (31 December 2018: US\$8.4 million).

In relation to the right-of-use assets as mentioned above, there were lease liabilities of US\$2.8 million in which US\$1.2 million is payable within a year and classified under current liabilities as at 30 September 2019 (31 December 2018: Not applicable as explained in paragraph 5 above).

The trade payables were reduced by US\$1.8 million over 9M19 to US\$15.4 million as at 30 September 2019 (31 December 2018: US\$17.2 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 income tax on profit for 9M19 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\$0.4 million to US\$0.4 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\$10.0 million for the current period under review as compared to US\$1.6 million in 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 9M19, the Group paid income tax amounting to US\$0.9 million (9M18: US\$1.5 million).

For investing activities, there was a net cash inflow of US\$1.6 million (9M18: net cash outflow of US\$2.8 million) over the period 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\$1.0 million (9M18: US\$1.9 million).

For financing activities, there was a net cash outflow of US\$4.4 million over 9M19 (9M18: US\$1.3 million). The financing activities mainly included the net repayment of bank borrowings amounting to US\$0.4 million during 9M19 (9M18: net proceeds of US\$0.2 million) so as to reduce the Group's finance costs in the expectation of rising interest rate. During 9M19, the Group bought back its own shares worth of US\$0.4 million (9M18: US\$0.3) in the open market and also paid the final dividend of US\$1.6 million for FY18 (9M18: final dividend of US\$1.6 million for FY17) and an interim dividend of US\$0.9 million for FY19 (9M18: interim dividend of US\$0.9 million for FY18). In respect of right-of-use assets, the Group made a repayment of lease liabilities amounting to US\$0.9 million (9M18: 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

The business environment in which the Group's core business operates in continues to be increasingly challenging. In addition to business challenges like price competition, short product life cycles, and the performance of its key customer, the Group is also subject to a turbulent macro-environment affected by events like the unabated US-China trade tensions. The aforementioned key customer of the Group is a well-known office equipment provider and key industry player for office equipment and liquid crystal display panels for high-end smartphones, automobile information displays and notebook computers.

Despite these factors, the Group continues to work with its customers to develop new products, and growing other businesses like life sciences in order to diversify, and exploring alternative manufacturing locations to mitigate the ongoing US-China trade tensions.

Business Segment Outlook

For the period under review, the Group has continued to receive orders for larger sized LCD backlight units that are used in ultrathin notebook computers and more premium vehicles. Previously, the Group had anticipated a capacity constraint for light guide panels from its sole supplier for these larger sized LCD backlight units for ultrathin notebook computers, but adjustments made by the end-customer to their forecasts and the subsequent reduction in order volume has not let this happen. Due to the reduction in order volume, the Group

now has got excess capacity situation which it is trying to fill with other products such as lower-end LCD backlight units for notebook computer.

As for the larger sized LCD backlight units used in automobile information displays for more premium vehicles, these have a steady but lower volume, and the Group expects volume to increase only when these larger automobile information displays are subsequently introduced to main stream automobile models which are normally associated with large volume.

Both the Office Automation segment and LCD Parts and Accessories segment continue to experience price competition associated with drop in revenue of obsolete and phase-out models. Both segments take measures to maintain their profitability, and will likely continue to next year with the Group continuing to see a stable inflow of orders for parts for new models of office automation, mobile phones and ultrathin notebook computers.

As mentioned previously, the OEM business for mobile payment machines has started to face stiffer price competition from other PRC suppliers. In response, the Group has streamlined and removed those models which are not competitive in and plans to move the mobile payment machine business to its new facility in the Philippines. Overall, the Group will continue to explore new models of mobile payment machines and other products for its OEM business while expanding its portfolio of products for both its Office Automation and LCD Parts and Accessories segments.

In its Life Sciences business, the Group continues to market its synthetic antibodies library to relevant biotech and pharmaceutical companies for their research and development purposes with the aim of creating alternative treatments for diseases. The Group is working with Okayama University on the research and development for the next generation of antibody library with the aim of reaching the patent application phase. 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 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

Over the past few financial years, the Group has also been streamlining its business, operations and revenue streams, enhancing the efficiency and utilisation of its resources, consolidating its operating assets, and reducing overhead and administrative expenses. The recent proposed disposal of indirect subsidiary S.M.T. Assembly Limited is an example of the above.

In order to mitigate the risk of US tariffs on all PRC-made products which will adversely affect the Group’s performance, the Group is establishing a new factory in the Philippines to benefit from the proximity to its customers’ factories there. The renovation of the new factory is on track to be completed in late 2019 and begin operations afterward.

With the end-customer’s unexpected forecast adjustments which have affected the orders for large sized LCD backlight unit for ultrathin notebook computers, and the Group being required to fill up its excess capacity, the operating results for FY2019 will likely be negatively affected. The Group continues to remain cautious for the remainder of FY2019 due to the challenging operating environment it operates in and the tumultuous global economic environment.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the current financial period.

13. 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 period 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	247	-
- Provision of services under Memorandum for Management Support	35	-
- Supply of consumables	14	-
Total	361	-

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 nine months ended 30 September 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 payment devices
- iv) Others – Other businesses including general trading and 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
<u>Revenue</u>						
External sales	40,852	16,290	12,346	1,102	-	70,590
Inter-segment sales	-	169	-	-	(169)	-
Total revenue	<u>40,852</u>	<u>16,459</u>	<u>12,346</u>	<u>1,102</u>	<u>(169)</u>	<u>70,590</u>
<u>Results</u>						
Segment result	869	368	187	(385)	-	1,039
Unallocated corporate expense						(1,888)
Operating loss						(849)
Interest income						315
Finance costs						(185)
Share of loss of an associate						(769)
Gain on disposal of a subsidiary						11
Loss before income tax						(1,477)
Income tax expense						(465)
Loss after income tax						<u>(1,942)</u>
<u>Assets</u>						
Segment assets	42,225	18,386	15,776	1,477	(106)	77,758
Unallocated assets						6,062
Consolidated total assets						<u>83,820</u>
<u>Liabilities</u>						
Segment liabilities	10,702	4,972	3,027	220	(106)	18,815
Bank borrowings, obligation under finance leases and lease liabilities						10,891
Unallocated liabilities						1,813
Consolidated total liabilities						<u>31,519</u>
<u>Other information</u>						
Capital expenditure	216	495	299	30	-	1,040
Right-of-use assets	286	510	1,083	54	-	1,933
Depreciation of property, plant and equipment	490	298	277	9	-	1,074
Amortisation of right-of-use assets	331	257	307	65	-	960
Increase/(Decrease) in allowance for inventories	54	66	56	(44)	-	132

Business segment for the nine months ended 30 September 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	25,704	18,737	18,707	905		64,053
Inter-segment sales	-	280	-	-	(280)	-
Total revenue	25,704	19,017	18,707	905	(280)	64,053
Results						
Segment result	974	619	1,307	(1,774)		1,126
Unallocated corporate expense						(1,963)
Operating profit						(837)
Interest income						506
Finance costs						(172)
Share of loss of an associate						(71)
Gain on disposal of a subsidiary						921
Profit before income tax						347
Income tax expense						(754)
Profit after income tax						(407)
Assets						
Segment assets	31,895	20,905	22,895	5,502	(137)	81,060
Unallocated assets						2,880
Consolidated total assets						83,940
Liabilities						
Segment liabilities	6,309	5,276	4,666	787	(137)	16,901
Bank borrowings and obligation under finance leases						9,822
Unallocated liabilities						1,323
Consolidated total liabilities						28,046
Other information						
Capital expenditure	567	287	435	700		1,989
Depreciation of property, plant and equipment	385	308	323	50		1,066

Geographical Segment for the nine months ended 30 September 2019 and 2018

	Turnover		Non-Current Assets		Capital Expenditure	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Hong Kong	10,050	15,017	872	510	15	440
PRC	51,036	39,007	5,477	4,371	918	768
Japan	9,133	9,214	2,369	2,149	107	190
Others	371	815	-	630	-	591
Total	70,590	64,053	8,718	7,660	1,040	1,989

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 44.0% of the total revenue for the nine months ended 30 September 2019 (Nine months ended 30 September 2018: 46.0%).

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 14.2%, 72.3% and 12.9% of the total revenue respectively. Total revenue increased by 10.2% to US\$70.6 million for the nine months ended 30 September 2019 as compared to the corresponding period in the previous year.

As at 30 September 2019, non-current assets located in Hong Kong, the PRC and Japan accounted for 10.0%, 62.8% and 27.2% of the total non-current assets of the Group respectively. During the nine months ended 30 September 2019, the Group invested a total capital expenditure of US\$1.0 million for the purchase of equipment in Hong Kong, the PRC and Japan, and it was mainly for the purposes of replacement and new business.

17. A breakdown of sales

	Nine months ended 30 September		
	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%
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%)

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	911	1,149
- Final	1,591	1,608
Total	2,502	2,757

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

We, Yoshikawa Makoto and Dy Mo Hua Cheung, Philip, being two directors of CDW Holding Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of the directors of the Company which may render the financial statements for the nine months / third quarter ended 30 September 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

YOSHIKAWA Makoto
Chairman and Chief Executive Officer

DY MO Hua Cheung, Philip
Executive Director

14 November 2019