

CDW HOLDING LIMITED

Condensed Interim Financial Statements
For The Six Months And Full Year Ended 31 December 2022

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months and full year ended 31 December 2022

	Note	Six months ended 31 December			Year ended 31 December		
		2022 US\$'000	2021 US\$'000	% Increase/ (Decrease)	2022 US\$'000	2021 US\$'000	% Increase/ (Decrease)
Revenue	4	85,506	79,703	7.3%	147,992	143,239	3.3%
Cost of sales		(70,328)	(64,025)	9.8%	(122,317)	(117,127)	4.4%
Gross profit		15,178	15,678	(3.2%)	25,675	26,112	(1.7%)
Other income/(expenses)	7	(252)	816	(130.9%)	2,338	1,077	117.1%
Distribution costs		(2,327)	(2,016)	15.4%	(4,160)	(3,971)	4.8%
Administrative expenses		(7,886)	(9,687)	(18.6%)	(17,456)	(18,463)	(5.5%)
Profit from operations		4,713	4,791	(1.6%)	6,397	4,755	34.5%
Finance costs	8	(391)	(145)	169.7%	(589)	(305)	93.1%
Gain on deemed disposal of an associate	14	10,103	-	N.M.*	10,315	-	N.M.*
Share of loss of associates		-	(262)	-	(95)	(431)	(78.0%)
Profit before tax	9	14,425	4,384	229.0%	16,028	4,019	298.8%
Income tax expense	10	(1,219)	(954)	27.8%	(1,867)	(1,669)	11.9%
Profit for the period		13,206	3,430	285.0%	14,161	2,350	502.6%
Profit attributable to:							
Owners of the Company		13,218	3,430	285.4%	14,330	2,350	509.8%
Non-controlling interests		(12)	-	N.M.*	(169)	-	N.M.*
		13,206	3,430	285.0%	14,161	2,350	502.6%
Earnings per share (US cent)	11						
Basic		5.87	1.54	281.2%	6.39	1.06	502.8%
Diluted		5.83	1.52	283.6%	6.33	1.04	508.7%

* N.M.: Not meaningful.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the six months and full year ended 31 December 2022

	Six months ended 31 December			Year ended 31 December		
	2022 US\$'000	2021 US\$'000	% Increase / (Decrease)	2022 US\$'000	2021 US\$'000	% Increase / (Decrease)
Profit for the period	13,206	3,430	285.0%	14,161	2,350	502.6%
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange difference on translation of foreign operations	(502)	(305)	64.6%	(2,933)	(958)	206.2%
<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 period	(94)	216	(143.5%)	(111)	245	(145.3%)
- Income tax effect	24	(45)	(153.3%)	24	(55)	(143.6%)
	(70)	171	(140.9%)	(87)	190	(145.8%)
Other comprehensive income for the period, net of tax	(572)	(134)	326.9%	(3,020)	(768)	293.2%
Total comprehensive income for the period	12,634	3,296	283.3%	11,141	1,582	604.2%
Total comprehensive income attributable to:						
Owners of the Company	12,697	3,296	285.2%	11,310	1,582	614.9%
Non-controlling interests	(63)	-	N.M.*	(169)	-	N.M.*
	12,634	3,296	283.3%	11,141	1,582	604.2%

* N.M.: Not meaningful.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	The Group		The Company	
		As at 31 December 2022 US\$'000	As at 31 December 2021 US\$'000	As at 31 December 2022 US\$'000	As at 31 December 2021 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	5,265	6,078	-	-
Right-of-use assets		2,517	2,557	-	-
Investments in subsidiaries		-	-	11,334	11,334
Amount due from a subsidiary		-	-	15,492	15,624
Investments in associates	14	-	1,048	-	-
Goodwill	19	14,410	-	-	-
Intangible assets		617	-	-	-
Investments	5	1,063	2,052	-	-
Other assets		458	248	-	-
Deferred tax assets		107	145	-	-
Total non-current assets		24,437	12,128	26,826	26,958
Current assets					
Inventories	15	26,368	26,879	-	-
Trade receivables		34,443	35,680	-	-
Other receivables and prepayment		3,533	3,898	17	14
Amount due from an associate		-	1,579	-	-
Investments	5	-	1,356	-	-
Pledged bank deposits	16	1,500	-	-	-
Cash and bank balances	16	27,257	27,248	160	100
		93,101	96,640	177	114
Asset classified as held for sale		-	52	-	-
Total current assets		93,101	96,692	177	114
TOTAL ASSETS		117,538	108,820	27,003	27,072
LIABILITIES AND EQUITY					
Current liabilities					
Income tax payable		622	576	-	-
Bank borrowings	17	11,170	9,050	-	-
Lease liabilities		1,471	1,426	-	-
Trade payables		31,815	36,330	-	-
Other payables and accruals		8,614	6,530	278	150
Amount due to an associate		487	26	-	-
Total current liabilities		54,179	53,938	278	150
NET CURRENT ASSETS/(LIABILITIES)		38,922	42,754	(101)	(36)
Non-current liabilities					
Bank borrowings	17	2,500	1,750	-	-
Lease liabilities		1,084	1,250	-	-
Retirement benefit obligations		594	479	-	-
Deferred tax liabilities		579	707	-	-
Total non-current liabilities		4,757	4,186	-	-
TOTAL LIABILITIES		58,936	58,124	278	150
NET ASSETS		58,602	50,696	26,725	26,922
Equity attributable to owners of the Company					
Share Capital		10,087	10,087	10,087	10,087
Treasury shares		(4,091)	(4,392)	(4,091)	(4,392)
Retained earnings		36,209	24,544	1,938	2,275
Reserves		17,293	20,446	18,791	18,952
		59,498	50,685	26,725	26,922
Non-controlling interests		(896)	11	-	-
TOTAL EQUITY		58,602	50,696	26,725	26,922
TOTAL LIABILITIES AND EQUITY		117,538	108,820	27,003	27,072

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the six months and full year ended 31 December 2022

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 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 income/(loss) 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/(loss) for the period	-	-	-	-	-	-	-	-	-	(70)	(502)	13,218	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	(120)	117	36,209	59,498	(896)	58,602

	Share capital US\$'000	Share premium of the Company US\$'000	Share capital reserve US\$'000	Treasury shares US\$'000	Employee share option reserve US\$'000	Merger reserve US\$'000	Statutory Reserve Fund US\$'000	Enterprise Expansion Fund US\$'000	Other Reserves US\$'000	Fair value adjustment reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance as at 1 January 2021	10,087	18,994	(193)	(4,542)	155	(7,020)	3,971	318	1,193	(223)	4,008	24,841	51,589	11	51,600
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	-	19	(653)	(1,080)	(1,714)	-	(1,714)
Share-based payment expense	-	-	-	-	59	-	-	-	-	-	-	-	59	-	59
Transfer to statutory reserve fund	-	-	-	-	-	-	9	-	-	-	-	(9)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,554)	(1,554)	-	(1,554)
Balance as at 30 June 2021	10,087	18,994	(193)	(4,542)	214	(7,020)	3,980	318	1,193	(204)	3,355	22,198	48,380	11	48,391
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	-	-	171	(305)	3,430	3,296	-	3,296
Share-based payment expense	-	-	-	-	16	-	-	-	-	-	-	-	16	-	16
Treasury shares transferred out to satisfy share options exercised	-	-	(47)	150	-	-	-	-	-	-	-	-	103	-	103
Transfer on share options exercised	-	-	-	-	(32)	-	-	-	-	-	-	32	-	-	-
Transfer to reserves	-	-	-	-	-	-	3	-	3	-	-	(6)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,110)	(1,110)	-	(1,110)
Balance as at 31 December 2021	10,087	18,994	(240)	(4,392)	198	(7,020)	3,983	318	1,196	(33)	3,050	24,544	50,685	11	50,696

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the six months and full year ended 31 December 2022

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 2022	10,087	18,994	(240)	(4,392)	198	2,275	26,922
Total comprehensive loss for the period	-	-	-	-	-	(269)	(269)
Treasury shares transferred out to satisfy share options exercised	-	-	(98)	301	-	-	203
Transfer on share options 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

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six month and full year ended 31 December 2022

	The Group	
	Year ended	
	31 December	
	2022	2021
	US\$'000	US\$'000
OPERATING ACTIVITIES		
Profit before tax	16,028	4,019
Adjustments for:		
Increase in allowance for inventories	334	43
Depreciation of property, plant and equipment	1,319	1,388
Depreciation of right-of-use assets	1,716	1,783
Amortisation of intangible assets	2	-
Interest income	(62)	(137)
Finance costs	589	305
Net (gain)/ loss on disposal of property, plant and equipment	(680)	155
Gain on fair value changes of convertible bonds	(1,063)	-
Gain on termination of lease contracts	-	(2)
Gain on deemed disposal of an associate	(10,315)	-
Retirement benefit obligations	115	(74)
Share of losses of associates	95	431
Share-based payment expense	-	75
(Reversal of)/provision for expected credit losses on trade receivables, net	(86)	4
Reversal of expected credit losses allowance on amount due from an associate	(11)	-
Operating cash flows before movements in working capital	7,981	7,990
Changes in working capital:		
Trade receivables, other receivables and prepayments	2,020	(841)
Inventories	(1,512)	(13,296)
Amount due to/from an associate	469	(243)
Trade payables, other payables and accruals	(1,885)	11,894
Cash generated from operations	7,073	5,504
Net income tax paid	(1,283)	(1,704)
Interest paid	(481)	(171)
Net cash from operating activities	5,309	3,629
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	834	249
Investment in convertible bonds	-	(800)
Increase/(decrease) in other assets	(142)	168
Decrease in loan and receivables	1,356	-
Additional investment in equity investment designated at fair value through other comprehensive income	-	(6)
Purchase of property, plant and equipment	(868)	(1,278)
Payment for right-of-use assets	(28)	-
Interest income received	62	137
Placement of restricted bank deposits	(1,500)	-
Net cash outflow arising on acquisition of a subsidiary	(1,135)	-
Decrease/(increase) in time deposit with original maturity of over three months	478	(909)
Net cash used in investing activities	(943)	(2,439)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	14,989	10,400
Repayment of principal portion of lease liabilities	(1,716)	(1,781)
Repayment of interest element on lease liabilities	(108)	(134)
Repayment of bank borrowings	(12,050)	(12,850)
Dividend paid	(2,700)	(2,664)
Proceeds from share options exercised	203	103
Net cash used in financing activities	(1,382)	(6,926)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,984	(5,736)
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	(2,497)	(921)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,170	32,827
CASH AND CASH EQUIVALENTS AT END OF PERIOD	26,657	26,170
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at banks and on hand	24,838	21,814
Short-term deposits	1,637	4,356
Non-pledged time deposits with original maturity of over three months	782	1,078
Cash and cash equivalents as stated in the consolidated statement of financial position	27,257	27,248
Less: Non-pledged time deposits with original maturity of over three months	(782)	(1,078)
Cash and cash equivalents as stated in the consolidated statement of cash flows	26,657	26,170

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 2022 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 2022 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 2022.

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 2022 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 2022 (for entities with a 31 December 2022 year-end) and could be applicable to the Group are:

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IFRS 16 (March 2021) Covid-19 Related Rent Concessions beyond 30 June 2021
- Annual Improvements Project Annual Improvements to IFRS Standards 2018-2020

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 2021.

3 SEASONAL OPERATIONS

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

4 REVENUE AND SEGMENT INFORMATION

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

- i) LCD Backlight Units - Manufacturing of LCD backlight units for LCD modules.
- ii) Office Automation - Manufacturing and trading of parts and precision accessories for office equipment and electrical appliances.
- iii) OEM and Accessories (formerly known as “LCD Parts 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 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	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
	58,215	5,353	21,449	489	-	85,506
Inter-segment sales	-	4,164	365	-	(4,529)	-
Total revenue	58,215	9,517	21,814	489	(4,529)	85,506
Results						
Segment result	5,696	(71)	2,515	(540)	-	7,600
Unallocated corporate expenses						(2,893)
Operating profit						4,707
Interest income						6
Finance costs						(391)
Gain on deemed disposal of an associate						10,103
Profit before income tax						14,425
Income tax expense						(1,219)
Profit after income tax						13,206
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

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Eliminations US\$'000	Consolidated US\$'000
<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 six months ended 31 December 2021

	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	40,844	2,154	5,426	-	-	48,424
Hong Kong	4,580	2,081	12,445	-	-	19,106
Japan	5,918	2,914	2,243	545	-	11,620
Other	-	59	494	-	-	553
	51,342	7,208	20,608	545	-	79,703
Inter-segment sales	-	3,534	594	-	(4,128)	-
Total revenue	51,342	10,742	21,202	545	(4,128)	79,703
<u>Results</u>						
Segment result	3,679	59	2,510	(447)	-	5,801
Unallocated corporate expenses						(1,083)
Operating profit						4,718
Interest income						73
Finance costs						(145)
Share of loss of an associate						(262)
Profit before income tax						4,384
Income tax expense						(954)
Profit after income tax						3,430
<u>Assets</u>						
Segment assets	62,659	10,356	30,239	1,116	(560)	103,810
Unallocated assets						5,010
Consolidated total assets						108,820
<u>Liabilities</u>						
Segment liabilities	30,526	4,774	7,769	201	(560)	42,710
Bank borrowings and lease liabilities						13,476
Unallocated liabilities						1,938
Consolidated total liabilities						58,124
<u>Other information</u>						
Capital expenditure	808	16	45	2	-	871
Right-of-use assets	13	4	1	-	-	18
Depreciation of property, plant and equipment	413	147	127	5	-	692
Depreciation of right-of-use assets	467	129	279	3	-	878
Decrease in allowance for inventories	(86)	(115)	(58)	-	-	(259)

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
<u>Revenue from contracts with customers</u>						
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
	<u>96,077</u>	<u>10,486</u>	<u>40,510</u>	<u>919</u>	<u>-</u>	<u>147,992</u>
Inter-segment sales	-	6,437	703	-	(7,140)	-
Total revenue	<u>96,077</u>	<u>16,923</u>	<u>41,213</u>	<u>919</u>	<u>(7,140)</u>	<u>147,992</u>
<u>Results</u>						
Segment result	7,209	(685)	3,996	(1,595)	-	8,925
Unallocated corporate expenses						(2,590)
Operating profit						6,335
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						16,028
Income tax expense						(1,867)
Profit after income tax						<u>14,161</u>
<u>Assets</u>						
Segment assets	63,220	8,754	27,804	16,265	(556)	115,487
Unallocated assets						2,051
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						2,560
Consolidated total liabilities						<u>58,936</u>
<u>Other information</u>						
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

Business segment for the year ended 31 December 2021

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

Other Geographical Segment information for the year ended 31 December 2022 and 2021

	Non-Current Assets		Capital Expenditure	
	Year ended 31 December		Year ended 31 December	
	2022 US\$'000	2021 US\$'000	2022 US\$'000	2021 US\$'000
PRC	4,276	5,462	550	1,167
Japan	1,983	1,830	140	95
Hong Kong	734	589	174	14
Others	1,247	989	4	2
Total	8,240	8,870	868	1,278

Non-current assets are mainly comprised of 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 61.0% of the total revenue for the year ended 31 December 2022 (Year ended 31 December 2021: 65.5%).

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 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
Financial assets at fair value through profit or loss ("FVTPL")				
Convertible bonds				
	-	-	-	-
Total non-current assets measured at fair value	<u>59</u>	<u>-</u>	<u>1,004</u>	<u>1,063</u>
Current assets measured at amortised cost				
Loan and receivables, at amortised cost				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 December 2021				
Non-current assets measured at fair value				
Equity investments designated at FVTOCI:				
Listed equity investment at fair value				
(Sharp Corporation)	92	-	-	92
Unlisted equity investment at fair value				
(Electrine Inc., formerly known as LGM Co., Limited)	-	-	1,160	1,160
Financial assets at FVTPL				
Convertible bonds				
	-	-	800	800
Total non-current assets measured at fair value	<u>92</u>	<u>-</u>	<u>1,960</u>	<u>2,052</u>
Current assets measured at amortised cost				
Loan and receivables, at amortised cost				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,356</u>

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	2022 Total US\$'000
At 1 January 2021	990	-	990
Total gains or losses recognised in other comprehensive income	264	-	264
Purchase	-	800	800
Exchange differences	(94)	-	(94)
At 31 December 2021	<u>1,160</u>	<u>800</u>	<u>1,960</u>
Total gains or losses recognized in other comprehensive income	(88)	-	(88)
Eliminated on business combination	-	(800)	(800)
Exchange differences	(68)	-	(68)
At 31 December 2022	<u><u>1,004</u></u>	<u><u>-</u></u>	<u><u>1,004</u></u>

During the period ended 31 December 2022 and 31 December 2021, 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 2022 and 31 December 2021.

	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
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
31 December 2021				
Unlisted equity investment at fair value	Recent transaction method under market approach and equity allocation model	Equity volatility	40% to 65%	5% increase in volatility would result in increase in fair value by US\$16,329
		Discount for lack of marketability	9% to 20%	5% increase in discount rate would result in increase in fair value by US\$23,159
Convertible bonds	Trending analysis under market approach	Binomial option pricing model	60% to 70%	5% increase in volatility would result in increase in fair value by US\$21,709

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 2022 and 31 December 2021.

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	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets:				
Equity investments designated at FVTOCI	1,063	1,252	-	-
Financial assets measured at FVTPL	-	800	-	-
At amortized cost (including cash and cash equivalents)	<u>64,504</u>	<u>66,596</u>	<u>15,492</u>	<u>15,624</u>
Financial liabilities:				
At amortized cost (excluding lease liabilities)	<u>54,430</u>	<u>53,504</u>	<u>101</u>	<u>150</u>

Analysis of financial instruments by remaining contractual maturity

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

	2022				2021			
	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	35,750	-	-	35,750	37,940	-	-	37,940
Cash and short-term deposits	28,828	-	-	28,828	27,278	-	-	27,278
Loans and receivables	-	-	-	-	1,549	-	-	1,549
Total undiscounted financial assets	<u>64,578</u>	<u>-</u>	<u>-</u>	<u>64,578</u>	<u>66,767</u>	<u>-</u>	<u>-</u>	<u>66,767</u>
Financial liabilities:								
Trade and other payables	40,760	-	-	40,760	42,704	-	-	42,704
Lease liabilities	1,530	1,124	-	2,654	1,486	1,314	-	2,800
Bank borrowing	<u>13,763</u>	<u>2,600</u>	<u>-</u>	<u>16,363</u>	<u>9,228</u>	<u>1,798</u>	<u>-</u>	<u>11,026</u>
Total undiscounted financial liabilities	<u>56,053</u>	<u>3,724</u>	<u>-</u>	<u>59,777</u>	<u>53,418</u>	<u>3,112</u>	<u>-</u>	<u>56,530</u>
Total net undiscounted financial assets	<u>8,525</u>	<u>(3,724)</u>	<u>-</u>	<u>4,801</u>	<u>13,349</u>	<u>(3,112)</u>	<u>-</u>	<u>10,237</u>
THE COMPANY								
Financial assets:								
Other receivables	17	-	-	17	14	-	-	14
Cash and short-term deposits	160	-	-	160	100	-	-	100
Amount due from a subsidiary	<u>15,492</u>	<u>-</u>	<u>-</u>	<u>15,492</u>	<u>15,624</u>	<u>-</u>	<u>-</u>	<u>15,624</u>
Total undiscounted financial assets	<u>15,669</u>	<u>-</u>	<u>-</u>	<u>15,669</u>	<u>15,738</u>	<u>-</u>	<u>-</u>	<u>15,738</u>
Financial liabilities:								
Other payables	<u>278</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>
Total undiscounted financial liabilities	<u>278</u>	<u>-</u>	<u>-</u>	<u>278</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>
Total net undiscounted financial assets	<u>15,391</u>	<u>-</u>	<u>-</u>	<u>15,391</u>	<u>15,588</u>	<u>-</u>	<u>-</u>	<u>15,588</u>

7 OTHER INCOME/(EXPENSES)

	The Group			
	Six months ended		Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	6	73	62	137
Gain on fair value changes of convertible bonds	-	-	1,063	-
Gain/(loss) on disposal of property, plant and equipment	(54)	5	680	11
Compensation from government	137	-	182	51
Reversal of provision for expected credit losses on trade receivables	86	82	86	82
Sundry income	31	42	87	103
Gain on termination of leased contract	-	-	-	2
Foreign exchange gain/(loss)	(458)	614	178	691
	<u>(252)</u>	<u>816</u>	<u>2,338</u>	<u>1,077</u>

8 FINANCE COSTS

	The Group			
	Six months ended		Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expenses on:				
Bank borrowings	342	85	481	171
Lease liabilities	49	60	108	134
	<u>391</u>	<u>145</u>	<u>589</u>	<u>305</u>

9 PROFIT BEFORE TAX

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

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2022 US\$'000	2021 US\$'000	2022 US\$'000	2021 US\$'000
Audit fees paid to:				
Auditor of the Company	120	148	271	302
Other auditors	39	59	145	165
Non-audit fees paid to:				
Auditor of the Company	22	3	46	6
Other auditors	-	6	6	13
Employee benefit expenses	11,700	11,781	23,534	24,465
Depreciation of property, plant and equipment	611	692	1,319	1,388
Depreciation of right-of-use assets	859	878	1,716	1,783
Increase/(decrease) in provision for inventories	260	(259)	334	43
Inventories recognised as an expense in cost of sales	70,328	64,025	122,317	117,127
(Gain)/loss on disposal of property, Plant and equipment	54	161	(680)	155
Gain on termination of lease contracts	-	2	-	-
Net foreign exchange (gain)/loss (Note)	(656)	554	(178)	822
(Reversal of)/provision for expected credit losses on trade receivable, net	(86)	12	(86)	12
Reversal of provision for expected credit losses on amount due from an associate, net	-	(10)	-	(10)
Gain on deemed disposal of an associate	<u>(10,103)</u>	<u>-</u>	<u>(10,315)</u>	<u>-</u>

Note: The foreign currency exchange gains for the six months and full year ended 31 December 2022 comprised mainly unrealized loss net of unrealized gain on translating monetary assets less monetary liabilities in foreign currencies, mainly United States dollars, Renminbi and Japanese yen, to functional currency at each Group entity, and realized loss net of realized gain on payments denominated in foreign currencies other than the functional currency in each Group entity.

10 INCOME TAX EXPENSE

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

The major components of income tax expense for the six months and full year ended 31 December 2022 and 2021 are:

	The Group			
	Six months ended 31 December		Year ended 31 December	
	2022 US\$'000	2021 US\$'000	2022 US\$'000	2021 US\$'000
Current income tax	1,280	998	1,856	1,704
Deferred tax	(61)	(44)	11	(35)
	<u>1,219</u>	<u>954</u>	<u>1,867</u>	<u>1,669</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	
	2022	2021	2022	2021
Based on weighted average number of ordinary shares in issue (US cents)				
- Basic	5.87	1.54	6.39	1.06
- Fully diluted (Note a)	5.83	1.52	6.33	1.04
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note b)	224,987,408	222,498,278	224,275,079	222,244,942
Effect of dilutive share options	1,708,746	2,972,331	2,240,815	3,085,716
Weighted average number of ordinary shares for the purpose of diluted earnings per ordinary share	<u>226,696,154</u>	<u>225,470,609</u>	<u>226,515,894</u>	<u>225,330,658</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	
	2022	2021
	US\$'000	US\$'000
Declared and paid during the period:		
Dividend on ordinary shares:		
Final exempt dividend for 2021: US\$0.7 cent per share (Final exempt dividend for 2020: US\$0.7 cent per share)	1,575	1,554
Interim exempt dividend for 2022: US\$0.5 cent per share (Interim exempt dividend for 2021: US\$0.5 cent per share)	<u>1,125</u>	<u>1,110</u>
	<u>2,700</u>	<u>2,664</u>
	The Group and Company	The Group and Company
	2022	2021
	US\$'000	US\$'000
Declared but not recognized as a liability:		
Estimated dividends on ordinary shares as at 31 December:		
Final exempt dividend for 2022: US\$0.7 cent per share (Final exempt dividend for 2021: US\$0.7 cent per share)	<u>1,575</u>	<u>1,561</u>

Date payable

The Company proposed a final dividend of 0.7 US cents per ordinary shares and will be payable on 19 May 2023.

Books closure date

The Share Transfer books and Register of Members of the Company will be closed on 9 May 2023 at 5:00 pm, after which no share transfer will be effected until 5:00 pm on 10 May 2023. 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 2023 will be registered to determine shareholders' entitlement to the dividend.

13 PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2022, the Group acquired assets with a cost of US\$868,000 (31 December 2021: US\$1,278,000).

Assets with a net book value of US\$97,000 were disposed by the Group during the year ended 31 December 2022 (31 December 2021: US\$404,000), resulting in a net gain on disposal of US\$680,000 (31 December 2021: net loss of US\$155,000).

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	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Share of the associates' losses for the period	-	(262)	(95)	(431)
Share of the associates' total comprehensive expense	-	(262)	(95)	(431)
Aggregate carrying amount of the Group's investments in the associates	<u>-</u>	<u>1,048</u>	<u>-</u>	<u>1,048</u>

(b)

	Year ended 31 December	
	2022	2021
	US\$'000	US\$'000
Amount due from an associate	-	1,590
Allowance for expected credit losses	-	(11)
	<u>-</u>	<u>1,579</u>

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

During the year ended 31 December 2021, the expected credit loss on the amount due from an associate, A Biotech Co., Limited ("ABio"), was assessed with reference to the probability of default rate in the biotechnology industry and the average corporate debt recovery rates in the market. The allowance for the loss is adjusted to reflect the current conditions and forecasts of future economic conditions. As such, the Group provided an allowance for ECLs of US\$11,000 as at 31 December 2021.

The Company's wholly-owned subsidiary, Tomoike Industrial (H.K.) Company Limited ("HKT"), entered into a Share Purchase Agreement (the "Agreement") with Mr. Yoshimi Koichi, an associated person of the Group's controlling shareholder, (the "Seller" and together with the Purchaser, the "Parties") on 4 April 2022.

Pursuant to the Agreement, HKT shall acquire and purchase from the Seller, a total of two hundred thousand (200,000) shares of the common stock (the "Subject Shares"), with the par value of KRW 5,000 per share, representing 23.1% of the total issued and paid-up capital in ABio on the terms and conditions of the Agreement. The consideration of these 200,000 shares was KRW1,840,000,000 (approximately US\$1,517,000), representing a per share price of KRW9,200 for each share. The consideration was satisfied in full by way of cash and the transaction was completed on 6 April 2022.

HKT hold an aggregate of 420,000 shares representing 48.5% of the total issued and paid-up capital in ABio. At the close of the Agreement, HKT now holds an aggregate of 620,000 shares representing 71.5% of the total issued and paid-up capital in ABio, and ABio has become an indirect subsidiary of the Group. The Group's interests in ABio were re-measured based on the fair value of the shares of ABio held by the Group on 6 April 2022. Accordingly, a gain on deemed disposal of approximately US\$10,315,000 was recognised in profit or loss during the year ended 31 December 2022.

The fair value of ABio has been arrived at on the basis of a valuation carried out by AVISTA Group, an independent qualified professional valuer which is not connected to the Group.

15 INVENTORIES

	The Group	
	Year ended	
	31 December	
	2022	2021
	US\$'000	US\$'000
Consolidated statement of financial position:		
Raw materials	19,465	19,495
Work-in-progress	206	137
Finished goods	6,697	7,247
	<u>26,368</u>	<u>26,879</u>

	The Group			
	Six months ended		Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Consolidated statement of profit or loss:				
Inventories recognised as an expense				
in cost of sales	70,328	64,025	122,317	117,127
Inclusive of the increase/(decrease) in				
provision for inventories included in				
cost of sales	<u>260</u>	<u>(259)</u>	<u>334</u>	<u>43</u>

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

16 PLEDGED BANK DEPOSITS AND CASH AND BANK BALANCES

	The Group		The Company	
	31	31	31	31
	December	December	December	December
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at banks and on hand	24,838	21,814	160	100
Pledged bank deposits	1,500	-	-	-
Short-term deposits	1,637	4,356	-	-
Time deposit with original maturity of				
over three months	<u>782</u>	<u>1,078</u>	<u>-</u>	<u>-</u>
	<u>28,757</u>	<u>27,248</u>	<u>160</u>	<u>100</u>

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 30 days to 180 days (2021: 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 2022 for the Group was 0.3% per annum (31 December 2021: 0.1%).

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

	The Group	
	31 December	31 December
	2022	2021
	US\$'000	US\$'000
JPY	1,938	692
US\$	9,617	7,655
HK\$	289	666
RMB	9	9
SG\$	<u>119</u>	<u>60</u>

17 **BANK BORROWINGS**

		The Group	
	Maturity	31 December 2022 US\$'000	31 December 2021 US\$'000
Current:			
Bank borrowings, secured	2023	2,235	-
Bank borrowings, unsecured	2023	8,435	3,000
	(31 Dec 2021: 2022)		
Bank borrowings, unsecured	On demand	500	6,050
		<u>11,170</u>	<u>9,050</u>
Non-current:			
Bank borrowings, unsecured	2025	2,500	1,750
	(31 Dec 2021: 2024)		
Total bank borrowings		<u>13,670</u>	<u>10,800</u>

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

The bank borrowings are unsecured and bear interest at rates ranging from 3.65% to 6.885% per annum (31 Dec 2021: 0.935% to 2.75%).

Bank borrowings amounting to US\$7,295,000 (31 Dec 2021: US\$8,050,000) are unsecured and carry variable interest rates quoted by the banks with reference to their cost of fund.

Bank borrowings amounting to US\$4,500,000 (31 Dec 2021: US\$2,750,000) are unsecured and carry fixed interest rates. Management considered the fair value of the Group's fixed rate bank borrowings is US\$5,515,000 (31 Dec 2021: US\$2,805,000).

Details of collateral

Bank borrowings of US\$2,235,000 are secured by a charge over the Group's pledged bank deposits (note 16). As at 31 December 2021, the Group did not pledge any bank deposits to financial institutions to secure banking facilities granted to the Group.

18 RELATED PARTY TRANSACTIONS

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

	The Group			
	Six months ended		Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Associates:				
Provision of financial assistance (note i)	-	-	-	1,290
Interest income (note ii)	-	33	45	58
Purchase of products (note iii)	670	232	842	484
Sales of products (note iv)	-	10	-	10
	<u>-</u>	<u>10</u>	<u>-</u>	<u>10</u>
Associated person of a controlling shareholder:				
Interest income (note v)	-	26	13	52
Consideration of acquisition (note vi)	-	-	1,517	-
	<u>-</u>	<u>-</u>	<u>1,517</u>	<u>-</u>

Notes:

- (i) The Group provide financial assistance to ABio 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 has purchased goods from Suzhou Pengfu according to the conditions offered by the associate to major customers.
- (v) The Group received interest from the relevant party for the loan due from the relevant party at mutually agreed terms.
- (vi) 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		Year ended	
	31 December		31 December	
	2022	2021	2022	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Salaries, allowances and benefits in kind	1,162	1,169	2,307	2,073
Defined contribution plans	16	26	37	49
Share-based payment	-	16	-	75
	<u>1,178</u>	<u>1,211</u>	<u>2,344</u>	<u>2,197</u>
Comprising amounts paid to:				
Directors of the Company	688	597	1,168	1,132
Other key management personnel	490	614	1,176	1,065
	<u>1,178</u>	<u>1,211</u>	<u>2,344</u>	<u>2,197</u>

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

19 BUSINESS COMBINATION

A Biotech Co., Limited (“ABio”) ceased to be an associate of the Company and it has been accounted for as a subsidiary of the Group since 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, their manufacturing and sales and provision of services.the research and development of antibodies-related products.

	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
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 companies	(1,583)	-	(1,583)
Convertible bonds	(1,860)	-	(1,860)
Lease liabilities	(167)	-	(167)
Deferred tax liabilities	-	(164)	(164)
	<u>(3,087)</u>	<u>491</u>	<u>(2,596)</u>
Net liabilities			(2,596)
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 inflow arising on business combination:			
Cash consideration			(1,517)
Less: cash and cash equivalents acquired			<u>382</u>
Net cash outflow			<u>(1,135)</u>

The goodwill arising on the business combination of ABio is attributable to the anticipated future economic benefits arising from the business combination that are not individually identified and separately recognized.

ABio contributed US\$61,000 revenue 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\$914,000 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 the same amount.

If the business combination had been completed on 1 January 2022, the Group’s total revenue for the year from continuing operations would have been approximately US\$148,053,000, and profit for the year from continuing operations would have been approximately US\$6,067,000. 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 2022, the Company did not purchase any ordinary shares under the Share Purchase Mandate and held as treasury share. As at 31 December 2022, the Company's issued the fully paid up share capital was US\$10,087,084 represented by 224,987,408 ordinary shares (excluding treasury shares) and 27,189,702 ordinary shares held as treasury shares.

Treasury shares

	The Company			
	2022		2021	
	No. of shares	US\$'000	No. of shares	US\$'000
Balance as at 1 January	29,189,702	4,392	30,189,702	4,542
Ordinary Shares purchased	-	-	-	-
Treasury shares transferred out to satisfy Share Options exercised	(2,000,000)	(301)	(1,000,000)	(150)
Balance as at 31 December	<u>27,189,702</u>	<u>4,091</u>	<u>29,189,702</u>	<u>4,392</u>

	As at 31 December 2022	As at 31 December 2021
Issued shares	252,177,110	252,177,110
Less: Treasury shares	<u>(27,189,702)</u>	<u>(29,189,702)</u>
Total number of issued shares excluding treasury shares	<u>224,987,408</u>	<u>222,987,408</u>

During the six months ended 31 December 2022, there were no sales, transfers, disposal and / or use of treasury shares. During the first half of the year, there were 2,000,000 treasury shares which were transferred out to satisfy 2,000,000 share options being exercised under CDW Employee Share Option Scheme 2018. As at 31 December 2022, there were 27,189,702 (31 December 2021: 29,189,702) 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 full 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 2022 was 4,250,000 (31 December 2021: 6,250,000) at an exercise price of S\$0.14.

Subsidiary Holdings

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

2. Review

The condensed interim statements of financial position of the Group and its subsidiaries as at 31 December 2022 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 recorded a turnover of US\$ 148.0 million, an increase of US\$ 4.8 million or 3.3% compared with US\$ 143.2 million achieved in the previous year. For the six months ended 31 December 2022 (“2H2022”), the total turnover was US\$85.5 million, an increment of US\$ 5.8 million or 7.3% compared with the same period last year. The main reason for the increment in 2H2022 is due to the temporary stoppage of our major backlight production base located in Shanghai in April 2022 and May 2022 (“Shanghai Lockdown”), by following the Shanghai Municipal Government’s COVID-19 lockdown instruction. Upon resumption of Shanghai operations from June 2022, the Group’s key customer has taken the initiative to have the backlog order for digital instrument panels for premium automotive cars to be completed by September 2022, on top of existing orders. Furthermore, the Group’s total delivery volume of LCD backlight units for automotive digital instrument panels saw a recovery to a higher level compared to the prior year. In addition, more than 50% of the Group’s LCD Backlight Unit delivered during the year were for larger automotive digital instrument panels (over 10-inches), compared with 33% in the prior year, these has enhanced our LCD Backlight Unit performance in FY2022.

Gross profit for the year was US\$25.7 million, a mild decrement of US\$0.4 million or 1.7% from US\$ 26.1 million of previous year. Gross profit for 2H2022 was US\$ 15.2 million, a decrease of US\$0.5 million or 3.2% from US\$15.7 million of the same period last year. Although the Group continues to receive pricing pressures from our customers for the old model LCD backlight products, this has been eased by the higher margin in our OEM business and development of new backlight models and large size LCD backlight units for use in premium automobile instrumental panels.

Other income/expenses for the year ended 31 December 2022 (“FY2022”) increased by US\$ 1.3 million or 117.1% from US\$ 1.1 million of the same period last year to US\$2.3 million. Other income/expenses mainly consisted of foreign exchange gain/loss, together with gain on disposal of assets, government subsidy fund, fair value change of financial instruments and interest income. The changes compared with last year mainly comes from a gain of US\$0.7 million on disposal of a residential property, and a valuation gain on convertible bonds of US\$1.1 million.

Distribution expenses increased by US\$ 0.2 million to US\$ 4.2 million (FY2021: US\$4.0 million) which was mainly caused by increased freight and storage costs due to Shanghai Lockdown.

Administrative expenses reduced to US\$ 17.5 million (FY2021: US\$18.5 million). It is caused by the net effect of the increase in salary related expenses, and reduced exchange loss arising from translation of USD dominated payables in China as US dollar depreciating against Renminbi.

Finance costs increased from US\$0.3 million to US\$0.6 million in FY2022. This was mainly due to the increased bank borrowings during the year and also increased interest rates.

During the year, the Group acquired a controlling shareholding in ABio, and incorporated the post-acquisition results of the company into the Group. The acquisition of ABio shares also contributed a gain on deemed disposal of previously held 48.46% equity interest of ABio of US\$10.3 million.

Income tax expense for FY2022 increased by US\$0.2 million to US\$1.9 million from US\$1.7 million in FY2021, and this was attributable to the profit generated by the Group’s profit-making subsidiaries.

In FY2022, the Group recorded a profit before tax of US\$ 16.0 million compared to the US\$ 4.0 million recorded in FY2021. Profit after tax was registered at US\$ 14.2 million against FY2021’s US\$ 2.4 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, 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 unaudited 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.

	Before adjustment For the Year Ended 31 December 2022 (Unaudited) USD'000	Illustrative Adjustment for Nil Gain/Loss on Deemed Disposal of an Associate For the Year Ended 31 December 2022 (Unaudited) USD'000	For the Year Ended 31 December 2021 (Audited) USD'000
Profit for the year (US\$'000)	14,161	3,846	2,350
Profit attributable to:			
- Owners of the Company	14,330	4,015	2,350
- Non-controlling interests	<u>(169)</u>	<u>(169)</u>	<u>-</u>
	<u>14,161</u>	<u>3,846</u>	<u>2,350</u>
Earnings per share (US Cent)			
- Basic	6.39	1.79	1.06
- Diluted	6.33	1.77	1.04

LCD Backlight Units (“LCD BLUs”)

For the year under review, revenue from the Group’s LCD Backlight Units segment recorded US\$96.1 million, a mild increase of US\$0.7 million or 0.7% compared to the revenue of US\$95.4 million in FY2021. The segment has recovered from the Shanghai Lockdown in the first half of 2022 and able to meet the key customer’s demand to fulfill the backlog orders in the second half of the year. And the segment managed to improve the operating profit to US\$7.2 million, an US\$1.7 million or 30.2% increment from US\$ 5.5 million of last year.

During the year, the Group sold a total number of 7.5 million backlight units, compared with 8.4 million units in FY2021. Although facing continuous pricing pressure from customers for old backlight models, the Segment is working successfully to shifting the orders to larger sized LCD backlight units used in digital instrument panels of premium automobiles and ultrathin notebook computers. The over 8 inches models constituted 86.6% of FY2022 LCD Backlight Units segment sales (FY2021: 69.8%).

Office Automation

The Office Automation segment continued to produce old models as the customers are reluctant to develop any new models during COVID-19. The segment recorded revenue of US\$10.5 million in FY2022 (FY2021: 13.9 million) at an operating loss of US\$0.7 million (FY2021: US\$ 0.5 million), with operating margin of -6.5% (FY2021: -3.2%), as the production was temporarily suspended during the Shanghai Lockdown.

OEM and Accessories (formerly known as “LCD Parts and Accessories”)

This segment is a combination of original equipment manufacturing, and manufacturing and trading of parts and precision accessories for LCD modules. Due to continuous improvement of the Group’s OEM business, which constitute to significant portion of the segment’s turnover, the Group renamed it as “OEM and Accessories” segment to reflect the updated business operation.

The OEM and Accessories segment’s turnover include sales of mobile payment devices under the OEM business, and also sales of parts for smartphone, tablets and ultrathin notebook computers. During the year, the Group recorded significant improvement in OEM business. Turnover of the segment increased from US\$33.0 million in FY2021 to current year’s US\$40.5 million, an US\$7.6 million or 22.9% increment. The operating profit was US\$4.0 million (FY2021: US\$2.8 million), and operating margin of 9.9% (FY2021: 8.5%). Thanks to the trust of our key customer, BBPOS International Limited, the management is able to fulfill customer’s increased demand and provide quality products to support its business strategy. During the year, the segment’s performance is also strengthened by the orders for advanced model mobile payment devices which require high-standard security specifications.

Others Segment

The Others segment includes Bio-Tech related research & development, health care and beauty products, the holding of Bio-related intellectual properties organized as the Life Science division; while the other food and beverage, general trading organized as Others business.

The Life Sciences business that the Group diversified into is still at its initial stage. While revenue increased slightly from US\$0.47 million in FY2021 to current year US\$0.53 million, the Life Sciences segment continues to incur research and development expenses, which led to losses of US\$1.6 million in FY2022 (FY2021: US\$1.2 million).

During the year, the Group completed the acquisition of 200,000 shares in ABio from Mr. Yoshimi Koichi on 6 April 2022. With the existing shareholding of 420,000 shares, ABio became a subsidiary of the Group upon completion of the transaction. As the valuation of the fair value of the existing 420,000 ABio shares which will be deemed as disposed during the acquisition process of a controlling shareholding, the Group realized a gain on deemed disposal of US\$10.3 million.

The Others segment consists mainly the food and beverage, and general trading business. Revenue for this segment dropped slightly to US\$0.39 million for FY2022 due to reduced operations in Japan, while the operating loss maintained at a marginal loss of US\$10,000 (FY2021: US\$0.1 million).

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

The consolidated total assets and liabilities were US\$117.5 million and US\$58.9 million respectively, as compared to the US\$108.8 million and US\$58.1 million recorded as at 31 December 2021.

Current assets amounted to US\$93.1 million, decreased by US\$3.6 million or 3.7%, as compared to US\$96.7 million as at 31 December 2021. Cash and bank balances together with pledged bank deposit increased by US\$1.5 million or 5.5% to US\$28.8 million, compared to US\$27.2 million recorded as at 31 December 2021.

Inventory levels maintained at US\$26.4 million, compared to US\$26.9 million at 31 December 2021. Trade receivables maintained at approximately same level of US\$34.4 million, with the debtor turnover term at around 86 days. The Group did not change its credit term of between 60 days to 90 days to customers.

Other receivables and prepayments of US\$3.5 million (31 December 2021: US\$3.9 million) were mainly utility deposits, advances to staff, prepaid expenses, income tax refund and VAT recoverable.

Total consolidated total non-current assets recorded a total of US\$24.4 million as compared to US\$12.1 million as at 31 December 2021. Investments comprised of investments in quoted shares of SHARP Inc. and investment in equity shares of a Korean company (Electrine Inc., formerly known as LGM Co., Ltd.). There was a provision for impairment loss on investments in respect of Electrine amounting to US\$90,000 made in the current year. Investment in associate is comprised of the acquisition of a 25% equity interests 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.

During the year, the Group's wholly owned subsidiary, Tomoike Industrial (H.K.) Company Limited (the "Purchaser") acquired 200,000 shares of A Biotech Co., Ltd. (the "Target Company") at the consideration of KRW1,840,000,000 (approximately US\$1,517,000) from Mr. Yoshimi Koichi, an associated person of the Group's controlling shareholder. The consideration was satisfied in full by way of cash and the transaction was completed on 6 April 2022. The Target Company is principally engaged in application of biotechnology to research and development of antibody related products, their manufacturing and sales and provision of services.

The Purchaser had held an aggregate of 420,000 shares representing 48.5% of the total issued and paid-up capital in the Target Company. At the close of the transaction, the Purchaser now holds an aggregate of 620,000 shares representing 71.5% of the total issued and paid-up capital in the Target Company, and the Target Company has become a subsidiary of the Group. The aforementioned business combination has been accounted for using the acquisition method. The Group has 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 is attributable to the anticipated future economic benefits arising from the business combination that are not individually identified and separately recognized.

Property, plant and equipment amounted to US\$5.3 million (31 December 2021: US\$6.1 million) with new addition of US\$0.9 million plant and machinery and leasehold improvements etc, which was netted off against the depreciation charge of US\$1.3 million and disposal of assets with net book value of US\$0.1 million. During the period, the disposal of a residential property in Shanghai was completed which resulted in a post-tax gain of US\$0.7 million. There were depreciation of right-of-use assets amounting to US\$1.7 million, addition of right-of-use assets amounting to US\$1.6 million, which led to the right-of-use assets slightly changed to US\$2.5 million (US\$2.6 million as at 31 December 2021).

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

Total liabilities remained stable at US\$58.9 million as compared to US\$58.1 million as at 31 December 2021.

In relation to the right-of-use assets as mentioned above, lease liabilities amounted to US\$2.6 million (31 December 2021: US\$2.7 million), of which US\$1.5 million was payable within one year and was classified under current liabilities (31 December 2021: US\$1.4 million). The decrease in lease liabilities represented the repayment of lease liabilities amounting to US\$1.7 million (FY2021: US\$1.8 million), new leases during the year amounting to US\$1.7 million (FY2021: US\$0.6 million).

The Group redrew bank borrowings amounting to US\$15.0 million, including a US\$3 million 3-year long-term loan repayable by quarterly instalment, while settling bank borrowings amounting to US\$12.1 million with a net drawdown US\$2.9 million during FY2022. Total outstanding bank borrowings was US\$13.7 million (31 December 2021: US\$10.8 million) of which US\$11.2 million is payable within one year (31 December 2021: US\$9.1 million).

Trade payables reduced by US\$4.5 million to US\$31.8 million (31 December 2021: US\$36.3 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. Other payables and accruals, mainly comprised accruals for expenses, wage payable and VAT payable, accrual cost for business operations and deposits from customers, increased to US\$8.6 million (US\$6.5 million as at 31 December 2021). 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 remained at same level as last year at US\$0.6 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 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 flow of US\$7.1 million, up 28.5% from the previous year (FY2021: US\$5.5 million). Net cash generated from operating activities amounting to US\$5.3 million (FY2021: US\$3.6 million). The net cash from operating activities were mainly attributable to the settlement from trade receivables net of trade payables after deducting the funding for the increase in inventory. During the year, the Group paid income tax amounting to US\$1.3 million (FY2021: US\$1.7 million).

For investing activities, there was a net cash outflow of US\$0.9 million (FY2021: US\$2.4 million) over the year under review, mainly attributable to purchase of property, plant and equipment amounting to US\$0.9 million (FY2021: US\$1.3 million), net cash consideration paid for acquisition of further shares of an associate of US\$ 1.1 million and placement of restricted bank deposit of US\$1.5 million. During the year, the Group received sales proceeds from the disposal of property, plant and equipment amounting to US\$0.8 million (FY2021: US\$0.2 million) and recovery of loan and other receivables of US\$1.4 million.

For financing activities, there was a net cash outflow of US\$1.4 million during the year under review (FY2021: US\$6.9 million). The financing activities mainly comprised the net proceeds from bank borrowings amounting to US\$2.9 million during the year under review (FY2021: net repayments of bank borrowing US\$2.5 million). During the year under review, the Group did not purchase any shares under Shares Purchase Mandate, and repaid lease liabilities amounting to US\$1.7 million (FY2021: US\$1.8 million). In addition, the Group paid dividends to shareholders of US\$2.7 million for the year under review (FY2021: 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 2022	31 December 2021
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	26.05	22.73
- The Company	11.88	12.07

The calculation of the net asset value per ordinary share was based on total number of 224,987,408 (31 December 2021: 222,987,408) 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. In addition, external environment factors such as Sino-US tensions, the COVID-19 pandemic, the Russian-Ukrainian war, the unstable global financial markets as well as other issues like supply chain disruptions and inflationary pressures, further exacerbate the Group's challenging operating environment. This has led to greater market volatility and uncertainty for the Group.

During the year 2022, the Chinese government imposed regional lockdowns as part of its "Zero Covid" strategy, two factories located in Shanghai under the Group's wholly-owned subsidiaries, Crystal Display Components (Shanghai) Co., Ltd. and Tomoike Precision Machinery (Shanghai) Co., Ltd., experienced temporary stoppage due to the COVID-19 embargo imposed by the Shanghai Municipal Government from 1 April 2022 to 1 June 2022. In order to mitigate the lockdowns, the Group adopted an outsourcing strategy to

meet the production and delivery requirements of its customers. Thanks to the effort of the management and staff at its China subsidiaries, the Group was able to fulfil the backlog orders in the second half of FY2022 as requested from customers and present an overall outstanding result for the year ended 31 December 2022.

In late 2022, the Group has set a Representative Office in Ho Chi Minh City, the Socialist Republic of Vietnam, to commence a feasibility study and evaluation of expanding operation to Vietnam. This is in accordance with the Group's diversification strategy.

In response to the challenges of intense price competition, the Group will continue to work with its customers to develop and offer higher-end models and actively develop other businesses to diversify its revenue streams.

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

The Group's high-end in-vehicle display systems and ultra-thin computer display systems recorded good sales in FY2022, benefiting from the shift to touch-screen mode for car control systems and the popularity of in-vehicle entertainment systems, as well as the change to a Work-From-Home mode in response to the COVID-19 epidemic. The proportion of large-sized displays in these products is gradually increasing. In response to this development trend, the Group's new, larger-size display backlight for in-vehicle applications will commence production in the first half of 2023, and the Group is in process of developing high-luminance backlight display units.

Looking forward, we believe orders for larger size liquid crystal display backlight units for advanced automotive digital instrument panels will continue to form important part of the Group's sales, while the sales of high-end ultra-thin notebook computer backlight display units will be challenged by the improvement of the COVID-19 epidemic situation and return-to-office activities around the world.

The OEM and Accessories segment recorded outstanding growth and performance during FY2022. And the division is shifting its OEM production to high value products by cooperation with the key customer, and participating in their product development and design process. Although there are expectations that the US economic may slowdown in 2023, by securing higher value advanced model mobile payment devices from the customer, the Group believes the OEM segment will be able to maintain its performance.

For the Office Automation segments and also the LCD Parts and Accessories business, the Group will continue to face challenges of continuous price competition and model obsolescence. The Group will continue to look for opportunities to manufacture higher-end models with higher margins and at same time, take stringent measures to control costs for these businesses.

In the Life Science division, the Group have acquired a controlling shareholding in A Biotech Co., Ltd. in April 2022. The ABio management has extended the research to lung, breast and colonial cancer cells, and is working closely with external professionals to perform genetic re-engineering of the anti-Cripto 1 antibodies, with the aim to improve the efficiency and effectiveness of the anti-Cripto 1 antibodies to different cancer cells.

The Group will also continue its efforts to develop its emerging green businesses, which include electric motors, nanomaterial coatings, and antioxidant water systems, and will share any material developments with shareholders in due course.

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

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

8. Interested Person Transitions

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		US\$'000	US\$'000
A Biotech Co., Limited (Note) - Interest on financial assistance	Associate of controlling shareholder	45	-
Mr. YOSHIMI Kunikazu - Payment of advisory fee	Controlling shareholder	57	-
Mr. YOSHIMI Koichi - Interest on outstanding consideration of disposal of 280,000 shares of A Biotech Co., Limited - Consideration of acquisition of 200,000 shares of A Biotech Co., Limited	Associate of controlling shareholder	13	-
Total		1,530	-

Note: Save as disclosed in Note 19 to the Condensed Interim Consolidated Financial Statements, A Biotech Co., Limited ceased to be an associate of the Group and it has been accounted for as a subsidiary of the Group since 6 April 2022.

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 34.3%, 49.9% and 13.8% of the total revenue respectively. Total revenue increased by 3.3% to US\$148.0 million for the year ended 31 December 2022 as compared to the corresponding period in the previous year.

As at 31 December 2022, non-current assets located in the PRC, Japan and Hong Kong accounted for 51.9%, 24.1% and 8.9% of the total non-current assets of the Group respectively. During the year ended 31 December 2022, the Group invested a total capital expenditure of US\$0.9 million for the purchase of equipment in the PRC, and it was mainly for the purposes of replacement for more efficient machineries.

10. A breakdown of sales.

	FY2022 US\$'000	FY2021 US\$'000	% Increase/ (decrease)
(a) Sales reported for first half year	62,486	63,536	(1.7%)
(b) Profit/loss after tax before deducting non-controlling interests reported for first half year	955	(1,080)	(188.4%)
(c) Sales reported for second half year	85,506	79,703	7.3%
(d) Profit after tax before deducting non-controlling interests reported for second half year	13,206	3,430	285.0%

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

	FY2022 USD'000	FY2021 USD'000
Annual Dividend		
Ordinary dividend		
- Interim	1,125	1,110
- Final (note)	1,575	1,575
Total	<u>2,700</u>	<u>2,685</u>

Note: the final dividend is estimated dividends on ordinary shares as at 31 December 2022.

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

YOSHIKAWA Makoto
Chairman and Chief Executive Officer

CHEUNG Chi Ming
Executive Director and Chief Financial Officer

1 March 2023