

**CDW HOLDING LIMITED**

Condensed Interim Consolidated Financial Statements  
For the Six Months Ended 30 June 2024

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**For the six months ended 30 June 2024**

	Note	Six months ended 30 June		
		2024 US\$'000	2023 US\$'000	% Increase/ (Decrease)
<b>Revenue</b>	4	43,749	56,674	(22.8%)
Cost of sales		(36,166)	(46,580)	(22.4%)
<b>Gross profit</b>		7,583	10,094	(24.9%)
Other income	7	292	402	(27.4%)
Distribution costs		(1,043)	(1,245)	(16.2%)
Administrative expenses		(9,181)	(9,254)	(0.8%)
<b>Loss from operations</b>		(2,349)	(3)	N.M.*
Finance costs	8	(149)	(296)	(49.7%)
<b>Loss before tax</b>	9	(2,498)	(299)	735.5%
Income tax expense	10	(64)	(259)	(75.3%)
<b>Loss for the period</b>		(2,562)	(558)	359.1%
<b>Loss attributable to:</b>				
Owners of the Company		(2,333)	(353)	560.9%
Non-controlling interests		(229)	(205)	11.7%
		(2,562)	(558)	359.1%
<b>Loss per share (US cents)</b>				
Basic	11	(1.03)	(0.16)	543.8%
Diluted		-	-	N.M.*

\* N.M.: Not meaningful.

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the six months ended 30 June 2024**

	Note	Six months ended 30 June		
		2024 US\$'000	2023 US\$'000	% Increase / (Decrease)
<b>Loss for the period</b>		(2,562)	(558)	359.1%
<b>Other comprehensive expense:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		(782)	(1,378)	(43.3%)
<i>Items that will not be reclassified to profit or loss:</i>				
Equity investments designated at fair value through other comprehensive income:				
- Fair value loss arising during the period		(47)	(9)	422.2%
- Income tax effect		-	-	-
		(47)	(9)	422.2%
<b>Other comprehensive expense for the period, net of tax</b>		(829)	(1,387)	(40.2%)
<b>Total comprehensive expense for the period</b>		(3,391)	(1,945)	74.3%
<b>Total comprehensive expense attributable to:</b>				
Owners of the Company		(3,162)	(1,738)	81.9%
Non-controlling interests		(229)	(207)	10.6%
		(3,391)	(1,945)	74.3%

\* N.M.: Not meaningful.

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**As at 30 June 2024**

	Note	The Group		The Company	
		As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000	As at 30 June 2024 US\$'000	As at 31 December 2023 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	3,899	4,792	-	-
Right-of-use assets		2,664	2,280	-	-
Investment in subsidiaries		-	-	11,334	11,334
Amount due from a subsidiary		-	-	15,835	15,827
Goodwill		14,410	14,410	-	-
Other intangible assets		563	603	-	-
Investments	5	570	617	-	-
Other assets		417	280	-	-
Deferred tax assets		192	169	-	-
<b>Total non-current assets</b>		<b>22,715</b>	<b>23,151</b>	<b>27,169</b>	<b>27,161</b>
<b>Current assets</b>					
Inventories	15	22,399	16,057	-	-
Trade receivables		21,345	24,683	-	-
Other receivables and prepayments		3,385	4,678	22	35
Cash and bank balances	16	21,249	27,398	161	103
<b>Total current assets</b>		<b>68,378</b>	<b>72,816</b>	<b>183</b>	<b>138</b>
<b>TOTAL ASSETS</b>		<b>91,093</b>	<b>95,967</b>	<b>27,352</b>	<b>27,299</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Income tax payable		120	241	-	-
Bank borrowings	17	2,960	6,750	-	-
Lease liabilities		1,326	1,167	-	-
Trade payables		22,750	18,242	-	-
Other payables and accruals		12,777	12,957	149	132
Amount due to an associate	14	237	384	-	-
<b>Total current liabilities</b>		<b>40,170</b>	<b>39,741</b>	<b>149</b>	<b>132</b>
<b>NET CURRENT ASSETS</b>		<b>28,208</b>	<b>33,075</b>	<b>34</b>	<b>6</b>
<b>Non-current liabilities</b>					
Bank borrowings	17	250	750	-	-
Lease liabilities		1,376	1,174	-	-
Retirement benefit obligations		589	619	-	-
Deferred tax liabilities		264	270	-	-
<b>Total non-current liabilities</b>		<b>2,479</b>	<b>2,813</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>42,649</b>	<b>42,554</b>	<b>149</b>	<b>132</b>
<b>NET ASSETS</b>		<b>48,444</b>	<b>53,413</b>	<b>27,203</b>	<b>27,167</b>
<b>Equity attributable to owners of the Company</b>					
Share Capital		10,087	10,087	10,087	10,087
Treasury shares		(4,016)	(4,016)	(4,016)	(4,016)
Retained earnings		28,629	32,540	2,388	2,352
Reserves		15,216	16,045	18,744	18,744
		49,916	54,656	27,203	27,167
Non-controlling interests		(1,472)	(1,243)	-	-
<b>TOTAL EQUITY</b>		<b>48,444</b>	<b>53,413</b>	<b>27,203</b>	<b>27,167</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>91,093</b>	<b>95,967</b>	<b>27,352</b>	<b>27,299</b>

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**For the six months ended 30 June 2024**

**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	Equity attributable to the owners of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Balance as at 1 January 2024	10,087	18,994	(361)	(4,016)	111	(7,020)	4,009	318	1,199	(595)	(610)	32,540	54,656	(1,243)	53,413
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(2,333)	(2,333)	(229)	(2,562)
Other comprehensive expense for the period:															
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	(782)	-	(782)	-	(782)
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	(47)	-	-	(47)	-	(47)
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(47)	(782)	(2,333)	(3,162)	(229)	(3,391)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,578)	(1,578)	-	(1,578)
Balance as at 30 June 2024	10,087	18,994	(361)	(4,016)	111	(7,020)	4,009	318	1,199	(642)	(1,392)	28,629	49,916	(1,472)	48,444

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**For the six months ended 30 June 2024**

**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	Equity attributable to the owners of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Balance as at 1 January 2023	10,087	18,994	(338)	(4,091)	135	(7,020)	4,009	318	1,198	(200)	117	36,289	59,498	(896)	58,602
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(353)	(353)	(205)	(558)
Other comprehensive expense for the period:															
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	(1,376)	-	(1,376)	(2)	(1,378)
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	(9)	-	-	(9)	-	(9)
Total comprehensive expense for the period	-	-	-	-	-	-	-	-	-	(9)	(1,376)	(353)	(1,738)	(207)	(1,945)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,575)	(1,575)	-	(1,575)
Balance as at 30 June 2023	10,087	18,994	(338)	(4,091)	135	(7,020)	4,009	318	1,198	(209)	(1,259)	34,361	56,185	(1,103)	55,082

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**For the six months ended 30 June 2024**

**The Company**

	<b>Share capital</b>	<b>Share premium of the Company</b>	<b>Share capital reserve</b>	<b>Treasury shares</b>	<b>Employee share option reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance as at 1 January 2024	10,087	18,994	(361)	(4,016)	111	2,352	27,167
Total comprehensive income for the period	-	-	-	-	-	1,614	1,614
Dividend paid	-	-	-	-	-	(1,578)	(1,578)
Balance as at 30 June 2024	10,087	18,994	(361)	(4,016)	111	2,388	27,203

	<b>Share capital</b>	<b>Share premium of the Company</b>	<b>Share capital reserve</b>	<b>Treasury shares</b>	<b>Employee share option reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance as at 1 January 2023	10,087	18,994	(338)	(4,091)	135	1,938	26,725
Total comprehensive income for the period	-	-	-	-	-	1,693	1,693
Dividend paid	-	-	-	-	-	(1,575)	(1,575)
Balance as at 30 June 2023	10,087	18,994	(338)	(4,091)	135	2,056	26,843



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the six months ended 30 June 2024**

	<b>The Group</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>	(2,498)	(299)
Adjustments for:		
Increase / (decrease) in provision for inventories	38	(96)
Depreciation of property, plant and equipment	839	759
Depreciation of right-of-use assets	723	853
Amortisation of other intangible assets	1	2
Interest income	(192)	(57)
Finance costs	149	296
Net loss on disposal of property, plant and equipment	64	34
Retirement benefit obligations	40	-
<b>Operating (loss) / profit before movements in working capital</b>	(836)	1,492
<b>Change in working capital:</b>		
Other assets	(160)	148
Trade receivables, other receivables and prepayments	4,498	9,483
Inventories	(6,561)	6,147
Amount due to an associate	(144)	(202)
Trade payables, other payables and accruals	4,733	(7,757)
<b>Cash generated from operations</b>	1,530	9,311
Net income tax paid	(185)	(810)
Interest paid	(99)	(236)
<b>Net cash from operating activities</b>	1,246	8,265
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	180	8
Purchase of property, plant and equipment	(405)	(352)
Interest income received	192	57
Decrease / (increase) in time deposit with original maturity of over three months	186	(260)
<b>Net cash from / (used in) investing activities</b>	153	(547)
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	-	4,374
Repayment of interest element on lease liabilities	(50)	(60)
Repayment of principal portion of lease liabilities	(727)	(849)
Repayment of bank borrowings	(4,290)	(11,687)
Dividend paid	(1,578)	(1,575)
<b>Net cash used in financing activities</b>	(6,645)	(9,797)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(5,246)	(2,079)
<b>NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES</b>	(717)	(491)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	26,519	26,324
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	20,556	23,754
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash at banks and on hand	15,336	18,723
Short-term deposits	5,220	5,031
Non-pledged time deposits with original maturity of over three months	693	860
Cash and bank balances as stated in the consolidated statement of financial position	21,249	24,614
Less: Non-pledged time deposits with original maturity of over three months	(693)	(860)
Cash and cash equivalents as stated in the consolidated statement of cash flows	20,556	23,754

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

CDW Holding Limited (the “Company”) (Bermuda 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 6 to 10, 11<sup>th</sup> 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 six months ended 30 June 2024 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; biotech 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 30 June 2024 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”), the applicable disclosure requirements of Rule 705 of the Listing Manual (the “SGX Listing Manual”) of the SGX-ST. These condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

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

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

#### 2.1 New and amended standards adopted by the Group

There are no accounting pronouncements which have become effective from 1 January 2024 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 2024 (for entities with a 31 December 2024 year-end) and could be applicable to the Group are:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

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 recognised 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 2023.

## 3 SEASONAL OPERATIONS

There are mild seasonal factors affecting the performance of the Group. As the Group's major production factories are located in China, major festivals in the PRC such as the Chinese New Year mainly fall in the first half of the year, the Group's production output will be affected to a certain extent due to factors such as factory workers returning to their hometowns to celebrate the Chinese New Year and going on vacation. In addition, consumer festivals such as Christmas and New Year mainly fall in the second half of the year, resulting in more production orders and new models released in the second half of the year.

## 4 REVENUE AND SEGMENT INFORMATION

The Group is organised 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 | - | Manufacturing and trading of parts and precision accessories for LCD modules, and of payment devices in the business of original equipment manufacturer  |
| iv) Others               | - | Other businesses including general trading, food and beverage, Bio-Tech related research and development, health care and beauty products and the holding of Bio-related intellectual properties |

### Timing of revenue recognition

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

## Business segment for the six months ended 30 June 2024

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Eliminations US\$'000	Consolidated US\$'000
<b><u>Revenue from contracts with customers</u></b>						
External sales of goods by geographical markets						
Mainland China	16,376	880	1,389	122	-	18,767
Hong Kong	-	1,330	13,846	-	-	15,176
Japan	5,844	1,395	995	1,065	-	9,299
Other	-	37	462	8	-	507
	22,220	3,642	16,692	1,195	-	43,749
Inter-segment sales	-	1,532	115	-	(1,647)	-
Total revenue	22,220	5,174	16,807	1,195	(1,647)	43,749
<b><u>Results</u></b>						
Segment result	229	(17)	(463)	(1,266)	-	(1,517)
Unallocated corporate expenses						(1,024)
Operating loss						(2,541)
Interest income						192
Finance costs						(149)
Loss before income tax						(2,498)
Income tax expense						(64)
Loss after income tax						(2,562)
<b><u>Assets</u></b>						
Segment assets	29,894	5,737	36,782	16,964	-	89,377
Unallocated assets						1,716
Consolidated total assets						91,093
<b><u>Liabilities</u></b>						
Segment liabilities	12,391	2,913	19,583	490	-	35,377
Bank borrowings and lease liabilities						5,912
Unallocated liabilities						1,360
Consolidated total liabilities						42,649
<b><u>Other information</u></b>						
Capital expenditure	209	40	149	7	-	405
Right-of-use assets	305	77	753	24	-	1,159
Depreciation of property, plant and equipment	322	45	459	13	-	839
Depreciation of right-of-use assets	334	90	266	33	-	723
Increase / (decrease) in allowance for inventories	85	(32)	(17)	2	-	38

## Business segment for the six months ended 30 June 2023

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Eliminations US\$'000	Consolidated US\$'000
<b>Revenue from contracts with customers</b>						
External sales of goods by geographical markets						
Mainland China	31,304	997	2,423	-	-	34,724
Hong Kong	705	1,015	11,642	-	-	13,362
Japan	4,267	1,098	997	740	-	7,102
Other	-	90	1,378	18	-	1,486
	36,276	3,200	16,440	758	-	56,674
Inter-segment sales	-	2,629	177	-	(2,806)	-
Total revenue	36,276	5,829	16,617	758	(2,806)	56,674

### Results

Segment result	2,101	(643)	689	(1,058)	-	1,089
Unallocated corporate expenses						(1,149)
Operating loss						(60)
Interest income						57
Finance costs						(296)
Loss before income tax						(299)
Income tax expense						(259)
Loss after income tax						(558)

### Assets

Segment assets	45,068	4,452	29,231	16,398	(168)	94,981
Unallocated assets						1,964
Consolidated total assets						96,945

### Liabilities

Segment liabilities	18,669	2,524	10,648	344	(168)	32,017
Bank borrowings and lease liabilities						8,127
Unallocated liabilities						1,719
Consolidated total liabilities						41,863

### Other information

Capital expenditure	159	24	163	6	-	352
Right-of-use assets	90	14	57	11	-	172
Depreciation of property, plant and equipment	355	15	302	87	-	759
Depreciation of right-of-use assets	397	116	300	40	-	853
Decrease in allowance for inventories	(25)	(38)	(33)	-	-	(96)

## Other Geographical Segment information for the six months ended 30 June 2024 and 2023

	Non-Current Assets		Capital Expenditure	
	Six months ended 30 June		Six months ended 30 June	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
<b>Hong Kong</b>	763	593	58	-
<b>PRC</b>	3,417	3,507	282	252
<b>Japan</b>	1,907	1,707	16	100
<b>Korea</b>	15,198	15,304	-	-
<b>Others</b>	668	554	49	-
<b>Total</b>	21,953	21,665	405	352

## Information about major customer

Revenue contribution of the key customer from LCD Backlight Units segment and that from OEM and Accessories segment accounted for 75.4% of the total revenue for the six months ended 30 June 2024 (Six months ended 30 June 2023: 84.1%).

## 5 INVESTMENTS

The following table shows an analysis of each class 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
<b>The Group</b>				
<b>30 June 2024</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Equity investments designated at fair value through other comprehensive income ("FVTOCI"):				
Listed equity investment at fair value (Sharp Corporation)				
	48	-	-	48
Unlisted equity investment at fair value (Electrine Inc.)				
	-	-	522	522
<b>Total non-current assets measured at fair value</b>	<b>48</b>	<b>-</b>	<b>522</b>	<b>570</b>
<b>31 December 2023</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Equity investments designated at FVTOCI:				
Listed equity investment at fair value (Sharp Corporation)				
	59	-	-	59
Unlisted equity investment at fair value (Electrine Inc.)				
	-	-	558	558
<b>Total non-current assets measured at fair value</b>	<b>59</b>	<b>-</b>	<b>558</b>	<b>617</b>

### 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
At 1 January 2023	1,004
Total gains or losses recognised in other comprehensive income	(446)
At 31 December 2023	558
Total gains or losses recognised in other comprehensive income	(36)
At 30 June 2024	522

During the period ended 30 June 2024 and the year ended 31 December 2023, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3.

Below is a summary of the valuation techniques used and the key inputs to the valuation of financial assets under Level 3 fair value measurement as at 30 June 2024 and 31 December 2023.

	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
<b>30 June 2024</b>				
Unlisted equity investment at fair value	Recent transaction method under market approach and equity allocation model	Equity volatility	25% to 75%	5% increase in volatility would result in decrease in fair value by US\$5,284
		Discount for lack of marketability (“DLOM”)	0% to 9%	5% increase in discount rate would result in decrease in fair value by US\$32,509
<b>31 December 2023</b>				
Unlisted equity investment at fair value	Recent transaction method under market approach and equity allocation model	Equity volatility	35% to 75%	5% increase in volatility would result in decrease in fair value by US\$8,320
		DLOM	1% to 17%	5% increase in discount rate would result in decrease in fair value by US\$40,543

#### **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 30 June 2024 and 31 December 2023.

## 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	
	30 June 2024 US\$'000	31 December 2023 US\$'000	30 June 2024 US\$'000	31 December 2023 US\$'000
<b>Financial assets:</b>				
Financial assets measured at FVTOCI	570	617	-	-
Financial assets measured at amortised cost	<u>44,845</u>	<u>54,556</u>	<u>16,018</u>	<u>15,965</u>
<b>Financial liabilities:</b>				
Financial liabilities at amortised cost	<u>41,529</u>	<u>41,145</u>	<u>149</u>	<u>132</u>

### Analysis of financial instruments by remaining contractual maturity

The table below summarises 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.

	30 June 2024				31 December 2023			
	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
<b>THE GROUP</b>								
<b>Financial assets:</b>								
Trade and other receivables	23,596	-	-	23,596	27,158	-	-	27,158
Cash and short-term deposits	<u>21,477</u>	-	-	<u>21,477</u>	<u>27,763</u>	-	-	<u>27,763</u>
Total undiscounted financial assets	<u>45,073</u>	-	-	<u>45,073</u>	<u>54,921</u>	-	-	<u>54,921</u>
<b>Financial liabilities:</b>								
Trade and other payables	35,380	-	-	35,380	30,920	-	-	30,920
Lease liabilities	1,389	1,444	-	2,833	1,216	1,226	-	2,442
Bank borrowings	<u>3,123</u>	<u>261</u>	-	<u>3,384</u>	<u>7,133</u>	<u>784</u>	-	<u>7,917</u>
Total undiscounted financial liabilities	<u>39,892</u>	<u>1,705</u>	-	<u>41,597</u>	<u>39,269</u>	<u>2,010</u>	-	<u>41,279</u>
Total net undiscounted financial assets / (liabilities)	<u>5,181</u>	<u>(1,705)</u>	-	<u>3,476</u>	<u>15,652</u>	<u>(2,010)</u>	-	<u>13,642</u>
<b>THE COMPANY</b>								
<b>Financial assets:</b>								
Other receivables	22	-	-	22	35	-	-	35
Cash and short-term deposits	161	-	-	161	103	-	-	103
Amount due from a subsidiary	-	<u>15,835</u>	-	<u>15,835</u>	-	<u>15,827</u>	-	<u>15,827</u>
Total undiscounted financial assets	<u>183</u>	<u>15,835</u>	-	<u>16,018</u>	<u>138</u>	<u>15,827</u>	-	<u>15,965</u>
<b>Financial liabilities:</b>								
Other payables	<u>149</u>	-	-	<u>149</u>	<u>132</u>	-	-	<u>132</u>
Total undiscounted financial liabilities	<u>149</u>	-	-	<u>149</u>	<u>132</u>	-	-	<u>132</u>
Total net undiscounted financial assets	<u>34</u>	<u>15,835</u>	-	<u>15,869</u>	<u>6</u>	<u>15,827</u>	-	<u>15,833</u>



## 7 OTHER INCOME

	<b>The Group</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Foreign exchange gain	-	307
Interest income	192	57
Compensation from government	30	12
Sundry income	70	26
	<u>292</u>	<u>402</u>

## 8 FINANCE COSTS

	<b>The Group</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Interest expense on:		
Bank borrowings	99	236
Lease liabilities	50	60
	<u>149</u>	<u>296</u>

## 9 LOSS BEFORE TAX

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

	<b>The Group</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Audit fees paid to:		
Auditors of the Company	122	122
Other auditors	107	119
Non-audit fees paid to:		
Auditors of the Company	-	22
Other auditors	5	3
Employee benefits expenses	10,058	11,546
Depreciation of property, plant and equipment	839	759
Depreciation of right-of-use assets	723	853
Increase / (decrease) in provision for inventories	38	(96)
Inventories recognised as an expense in cost of sales	27,536	36,399
Net loss on disposal of property, plant and equipment	64	34
Net foreign exchange loss (Note)	26	131
	<u>26</u>	<u>131</u>

Note: The foreign currency exchange loss for the six months ended 30 June 2024 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.

## 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 periods ended 30 June 2024 and 2023 are:

	<b>The Group</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Current income tax	107	278
Deferred tax	(43)	(19)
	<u>64</u>	<u>259</u>

## 11 LOSS PER SHARE

Loss per ordinary share for the period based on  
loss attributable to owners of the Company:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
Based on weighted average number of ordinary shares in issue (US cents)		
- Basic	(1.03)	(0.16)
- Fully diluted (Note a, b)	-	-
Weighted average number of ordinary shares for the purpose of basic earnings per ordinary share (Note c)	<u>225,487,408</u>	<u>226,704,158</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: No adjustment had been made to the basic loss per share amounts presented for the six months ended 30 June 2024 in respect of a dilution as the impact of the share options outstanding during the period had an anti-dilutive effect on the basic loss per share amounts presented.

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

## 12 DIVIDENDS

	<b>The Group and Company</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>

### **Declared and paid during the period:**

Dividend on ordinary shares:

Final exempt dividend for 2023: US\$0.7 cents per share  
(Final exempt dividend for 2022: US\$0.7 cents per share)

1,578	1,575
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	<b>The Group and Company</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>

### **Declared but not recognised as a liability:**

Estimated dividend on ordinary shares as at 30 June:

Interim exempt dividend for 2024: US\$0.3 cents per share  
(Interim exempt dividend for 2023: US\$0.5 cents per share)

676	1,125
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Special exempt dividend for 2024: US\$0.2 cents per share  
(Special exempted dividend for 2023: nil)

451	-
<u>1,127</u>	<u>1,125</u>

### **Date payable**

The Company declared an interim dividend of US\$0.3 cents per ordinary share and will be payable on 24 September 2024.

The Board of the Company wishes to thank shareholders for their continued support and long term investment in the Company, it further declared a special dividend of US\$0.2 cents per ordinary share and will be payable on 22 January 2025.

### **Books closure date**

For the interim dividend, the Share Transfer books and the Register of Members of the Company will be closed on 29 August 2024 at 5:00 pm, after which no share transfer will be effected until 5:00 pm on 30

August 2024. Duly completed transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. of 1 Harbourfront Avenue, #14-07 Keppel Bay Tower Singapore 098632, up to the close of business at 5:00 pm on 29 August 2024 will be registered to determine shareholders' entitlement to the dividend.

For the special dividend, the Share Transfer books and the Register of Members of the Company will be closed on 26 December 2024 at 5:00 pm, after which no share transfer will be effected until 5:00 pm on 27 December 2024. Duly completed transfers received by the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. of 1 Harbourfront Avenue, #14-07 Keppel Bay Tower Singapore 098632, up to the close of business at 5:00 pm on 26 December 2024 will be registered to determine shareholders' entitlement to the dividend.

### 13 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets with a cost of US\$405,000 (30 June 2023: US\$352,000).

Assets with a net book value of US\$244,000 were disposed by the Group during the six months ended 30 June 2024 (30 June 2023: US\$42,000), resulting in a net loss on disposal of US\$64,000 (30 June 2023: net loss of US\$34,000).

### 14 INVESTMENTS IN ASSOCIATES

The Group's investments in the associates are summarised below:

	<b>The Group</b>	<b>31 December</b>
	<b>30 June</b>	<b>2023</b>
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Amount due to an associate	<u>237</u>	<u>384</u>

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

### 15 INVENTORIES

	<b>The Group</b>	<b>31 December</b>
	<b>30 June</b>	<b>2023</b>
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Consolidated statement of financial position:</b>		
Raw materials	18,096	11,284
Work-in-progress	41	64
Finished goods	<u>4,262</u>	<u>4,709</u>
	<u>22,399</u>	<u>16,057</u>

	<b>The Group</b>	<b>Six months ended 30 June</b>
	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Consolidated statement of profit or loss:</b>		
Inventories recognised as an expense in cost of sales	27,536	36,399
Inclusive of the increase / (decrease) in provision for inventories included in cost of sales	<u>38</u>	<u>(96)</u>

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

16 CASH AND BANK BALANCES

	<b>The Group</b>		<b>The Company</b>	
	<b>30 June 2024 US\$'000</b>	<b>31 December 2023 US\$'000</b>	<b>30 June 2024 US\$'000</b>	<b>31 December 2023 US\$'000</b>
Cash at banks and on hand	15,336	19,024	161	103
Short-term deposits	<u>5,220</u>	<u>7,495</u>	<u>-</u>	<u>-</u>
	20,556	26,519	161	103
Time deposit with original maturity of over three months	<u>693</u>	<u>879</u>	<u>-</u>	<u>-</u>
	<u>21,249</u>	<u>27,398</u>	<u>161</u>	<u>103</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 (31 December 2023: 30 days to 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 30 June 2024 for the Group was 3.7 % per annum (31 December 2023: 2.2%).

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

	<b>The Group</b>	
	<b>30 June 2024 US\$'000</b>	<b>31 December 2023 US\$'000</b>
JPY	400	362
US\$	10,525	14,807
RMB	99	75
SG\$	<u>136</u>	<u>76</u>

17 **BANK BORROWINGS**

		<b>The Group</b>	
	<b>Maturity</b>	<b>30 June 2024 US\$'000</b>	<b>31 December 2023 US\$'000</b>
<b>Current:</b>			
Bank borrowings, unsecured	2024 (31 December 2023: 2024)	2,960	6,750
		<u>2,960</u>	<u>6,750</u>
<b>Non-current:</b>			
Bank borrowings, unsecured	2025 (31 December 2023: 2025)	250	750
Total bank borrowings		<u>3,210</u>	<u>7,500</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 2.75% to 6.49% per annum (31 December 2023: 2.75% to 6.52%).

Bank borrowings amounting to US\$1,710,000 (31 December 2023: US\$5,000,000) are unsecured and carry variable interest rates quoted by the banks with reference to their cost of fund.

Bank borrowings amounting to US\$1,500,000 (31 December 2023: US\$2,500,000) are unsecured and carry fixed interest rates.

Management considered the fair value of the Group's fixed rate bank borrowings is US\$1,494,000 (31 December 2023: US\$2,491,000).

## 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.

	Notes	The Group	
		Six months ended 30 June 2024	2023
		US\$'000	US\$'000
Controlling shareholder:			
Advisory fee	(i)	115	115
Associates:			
Purchase of products	(ii)	<u>531</u>	<u>492</u>

Notes:

- (i) The Group received advisory service from the controlling shareholder at mutually agreed terms.
- (ii) The Group has purchased goods from Suzhou Pengfu according to the conditions offered by the associate to major customers.

Compensation of directors and key management personnel

	The Group	
	Six months ended 30 June 2024	2023
	US\$'000	US\$'000
Salaries, allowances and benefits in kind	1,209	1,100
Defined contribution plans	18	19
Share-based payment	-	-
	<u>1,227</u>	<u>1,119</u>
Comprise amounts paid to:		
Directors of the Company	419	600
Other key management personnel	<u>808</u>	<u>519</u>
	<u>1,227</u>	<u>1,119</u>

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

## 19 SUBSEQUENT EVENTS

The voluntary winding-up of Minami Tec (Wuxi) Co., Limited (“MT Wuxi”) as announced by the Group on 10 April 2024 is still in progress, the Group expects the whole process to be completed in 2H2024.

## OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

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

#### Share Capital

As at 30 June 2024, the Company's issued and fully paid-up share capital was US\$10,087,084 represented by 225,487,408 ordinary shares (excluding treasury shares) and 26,689,702 ordinary shares held as treasury shares.

During the first half year ended 30 June 2024 the Company did not purchase any ordinary shares under the Share Purchase Mandate.

#### Treasury shares

	The Company			
	2024		2023	
	Number of shares	US\$'000	Number of shares	US\$'000
Balance as at 1 January	26,689,702	4,016	27,189,702	4,091
Ordinary Shares purchased during the first half year	-	-	-	-
Treasury shares transferred out to satisfy share options exercised	-	-	-	-
	<u>26,689,702</u>	<u>4,016</u>	<u>27,189,702</u>	<u>4,091</u>
Balance as at 30 June	<u>26,689,702</u>	<u>4,016</u>	<u>27,189,702</u>	<u>4,091</u>

  

	As at 30 June 2024	As at 31 December 2023
Issued shares	252,177,110	252,177,110
Less: Treasury shares	(26,689,702)	(26,689,702)
Total number of issued shares excluding treasury shares	<u>225,487,408</u>	<u>225,487,408</u>

During the first half year ended 30 June 2024 and 2023, there were no sales, transfers, disposal and/or use of treasury. As at 30 June 2024, there were 26,689,702 (31 December 2023: 26,689,702) ordinary shares held as treasury shares.

#### Share Options

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

During the six months ended 30 June 2024 and 2023, no option was exercised and no share option was neither lapsed nor cancelled. The number of outstanding options as at 30 June 2024 was 3,500,000 (31 December 2023: 3,500,000) with exercise price at S\$0.14.

#### Subsidiary Holdings

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

## 2. Review

The condensed interim statement of financial position of the Group and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated statement of profit or loss and condensed interim consolidated statement of comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period 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

In the half year ended 30 June 2024 (“1H2024”), the Group registered a decrease in revenue by US\$12.9 million to US\$43.7 million as compared to the revenue of US\$56.7 million in the previous corresponding period (“1H2023”). This was mainly due to the performance of the Group’s LCD Backlight Units business which saw a decrement in demand in 1H2024. During the period under review, the segment sold a total of approximately 2.02 million units of backlight products, which was a 38.6% decrease when compared with 3.29 million units sold in 1H2023.

The Group’s gross profit experienced a decrease of US\$2.5 million to US\$7.6 million for 1H2024 (1H2023: US\$10.1 million) with gross profit margin remaining relatively stable at 17.3% in 1H2024, as compared to 17.8% in 1H2023.

The Group generated other operating income amounting to US\$0.3 million (1H2023: US\$0.4 million) in 1H2024, which included interest income earned of US\$0.2 million (1H2023: US\$0.06 million), compensation from government received and others. The 1H2023 result included a gain on foreign exchange of US\$0.3 million.

With regard to expenses for 1H2024, distribution expenses decreased by US\$0.2 million to US\$1.0 million (1H2023: US\$1.2 million), administrative expenses decreased slightly to US\$9.2 million (1H2023: US\$9.3 million). The lower distribution expenses were mainly attributable to a decrease in freight and storage costs during the period under review. The change in administrative expenses was mainly attributable to the Group transferring the foreign exchange gain in other income to net off with foreign exchange in the current period, and reported a net loss of US\$0.03 million. In 1H2023, US\$0.1 million foreign exchange loss was reported in administrative expenses, while exchange gain of US\$0.3 million was reported in other income. The other changes in administrative expenses was mainly attributable to the increment in legal & professional fee expenses of US\$0.2 million during the period.

Finance costs decreased by US\$0.2 million to US\$0.1 million for 1H2024 (1H2023: US\$0.3 million). Where during the period, the Group maintained a low borrowing level to reduce interest expenses as interest rates remained at a high level.

Income tax expense for 1H2024 reduced by US\$0.2 million to US\$0.1 million as compared to US\$0.3 million for 1H2023. However, the tax credits from the loss-making subsidiaries were not able to fully mitigate the income tax payable from the profit-making subsidiaries, which contributed to the tax expenses for the period under review.

As a result, the Group in 1H2024 recorded a loss before income tax of US\$2.5 million (1H2023: US\$0.3 million) and a loss after income tax of US\$2.6 million (1H2023: US\$0.6 million).

Despite the challenging operating environment and unfavorable result of the 1H2024, the Group remains committed to maintaining its dividend policy and will be paying a dividend of US\$0.3 cents for the current interim period. Furthermore, to thank shareholders for their continued support and long term investment in the Company, the Board of the Company wishes to pay a special dividend of US\$0.2 cents.



### **LCD Backlight Units (“BLUs”)**

In 1H2024, the revenue from the LCD Backlight Units segment decreased by US\$14.1 million to US\$22.2 million (1H2023: US\$36.3 million). The segment’s operating profit correspondingly decreased by US\$1.9 million to US\$0.2 million as compared to US\$2.1 million in 1H2023.

During the period under review, the Group sold a total of 1.8 million vehicle information display units, a decrease of 1.2 million units when compared with 3.0 million units sold in same period in 1H2023. For the premium notebook computer backlight panels, the Group sold 0.23 million units, a slight decrease of 0.01 million from 0.24 million units sold in 1H2023.

During the current period, the LCD Backlight Units segment has maintained its focus on the production of existing models, resulting in no improvement in gross profits. The segment anticipates commencing production of backlight components for virtual reality headsets in the second half of the year, although the initial order volume is expected to be relatively limited.

In terms of quantity, the total number of units sold for the period under review was 2.0 million units (1H2023: 3.3 million units) with details of the various sizes as below:

<b>Size of backlight units</b>	<b>1H2024 (in millions of units)</b>	<b>1H2023 (in millions of units)</b>
Below 5 inches	0.0	0.1
5 to 8 inches	0.1	0.2
Over 8 inches	1.9	3.0
<b>Total number of units</b>	<b>2.0</b>	<b>3.3</b>

As previously noted, the Group expects that the smaller sized backlight units (8 inches and below) will sooner or later be phased out and that the larger sized backlight units (over 8 inches) will constitute a dominant position of the turnover.

### **Office Automation (“OA”)**

The revenue from the OA segment increased by US\$0.4 million to US\$3.6 million in 1H2024 as compared to US\$3.2 million in 1H2023. The segment recorded a marginal operating loss in 1H2024 as compared to operating loss US\$0.6 million in 1H2023.

As announced previously, this segment has been experiencing a lack of new products from customers during this period, resulting in the production of parts for the old models. These older models naturally have a lower margin and are facing rising material costs. The Group has taken steps to enhance its production efficiency by acquiring new machinery and will continue to assess further improvements. In line with its efforts to optimise its organisational efficiency and costs, the Group initiated the consolidation of subsidiary operations in Guangdong Province in the second half of 2023, which was largely completed in 1H2024.

### **OEM and Accessories**

The sales for the OEM and Accessories segment increased slightly by US\$0.3 million from US\$16.4 million in 1H2023 to US\$16.7 million in 1H2024, in which the OEM business itself increased by US\$1.2 million from US\$13.1 million in 1H2023 to US\$14.3 million in 1H2024. The segment overall nevertheless booked an operating loss of US\$0.5 million for 1H2024 as compared to US\$0.7 million profit in 1H2023. The OEM business contributed US\$0.3 million operating profit in 1H2024 and US\$0.5 million in 1H2023.

The Group has closed down its Wuxi factory, Minami Tec (WuXi) Co., Limited in 1H2024 due to a lack of improvement in its LCD Parts and Precision Accessories business. The operating loss attributable to the Wuxi factory in 1H2024 was US\$0.8 million, which included a one-off severance payment of approximately US\$0.4 million, was made to the relevant staff. The voluntary winding-up arrangement of the subsidiary is expected to be completed in the second half of 2024.

### **Others**

The Others segment comprises the Group’s Food and Beverage business as well as its Life Science business. Revenue of US\$1.2 million was generated for this segment for the period under review (1H2023: US\$0.8 million). During the period under review, sales of the antioxidant water system continued to contribute to the performance of the segment.

As the Life Science business is still in its initial development stage, the Group has continued to incur expenses related to research and development and legal & professional services, which led to an operating loss of US\$1.3 million which is slightly higher than US\$1.1 million operating loss in 1H2023.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2024, the Group's total assets and liabilities stood at US\$91.1 million and US\$42.6 million respectively, as compared to US\$96.0 million and US\$42.6 million as at 31 December 2023.

Current assets dropped to US\$68.4 million, as compared to US\$72.8 million as at 31 December 2023. Cash and bank balances decreased by US\$6.1 million to US\$21.2 million as compared to US\$27.4 million as at 31 December 2023 in order to finance working capital needs. In line with the decrease in revenue during the period, trade receivables decreased by US\$3.3 million from US\$24.7 million as at 31 December 2023 to US\$21.3 million, while inventory increased from US\$16.1 million as at 31 December 2023 to US\$22.4 million to fulfill the OEM customer orders for the second half of 2024. Other receivables and prepayments of US\$3.4 million (31 December 2023: US\$4.7 million) were mainly other debtors, utility deposits, prepaid expenses, value added tax recoverable and prepaid sales tax. The decrease was mainly due to reduction in other debtors of US\$0.2 million, rental deposits of US\$0.2 million, a decrease in prepaid sales tax and VAT tax recoverable totaling US\$1.0 million.

The non-current assets of the Group stood at US\$22.7 million (31 December 2023: US\$23.2 million). Included in property, plant and equipment amounting to US\$3.9 million (31 December 2023: US\$4.8 million) was a new addition of US\$0.4 million, which was netted off against the depreciation charge of US\$0.8 million and disposal of assets with net book value of US\$0.2 million. There was an amortisation of right-of-use assets amounting to US\$0.7 million, additional right-of-use assets acquired during the period amounting to US\$1.2 million, which increased the right-of-use assets from US\$2.3 million as at 31 December 2023 to US\$2.7 million.

The equity investments designated at fair value through other comprehensive income included the equity investment in quoted shares of SHARP Inc. and investment in unlisted equity shares of Electrine Inc. which had offered the Group the manufacturing and distribution rights for its products.

The goodwill of US\$14.4 million arising on the business combination of A Biotech Co., Ltd. ("ABio") is attributable to the anticipated future economic benefits arising from the business combination that are not individually identified and separately recognised. Other intangible assets being the value of In-Process Research & Development held by ABio, and were consolidated into the Group.

Total liabilities maintained at approximately US\$42.6 million (31 December 2023: US\$42.6 million). In relation to the right-of-use assets as mentioned above, there were lease liabilities of US\$2.7 million (31 December 2023: US\$2.3 million), of which US\$1.3 million was payable within one year and was classified under current liabilities (31 December 2023: US\$1.2 million). The change in lease liabilities represented the repayment of leased liabilities amounting to US\$0.7 million (1H2023: US\$0.8 million), net of modification of right-of-use assets amounting to US\$1.2 million (1H2023: US\$0.1 million).

Due to the high prevailing interest rates in the market in 1H2024, the Group settled bank borrowings amounted to US\$4.3 million during the period. Total outstanding bank borrowings reduced to US\$3.2 million (31 December 2023: US\$7.5 million) in which US\$3.0 million is payable within one year (31 December 2023: US\$6.8 million).

As a result of increased orders from OEM customers from the second quarter of 2024, the Group increased its purchases orders placed to suppliers, and trade payables were increased by US\$4.5 million to US\$22.8 million (31 December 2023: US\$18.2 million) for the period under review. There was no material change in the credit terms offered by the Group's suppliers and the settlement was done in accordance with the agreed credit terms. Other payables and accruals, mainly representing deposits from customers, wages payable and other payables for operating expenses, decreased slightly by US\$0.2 million from US\$13.0 million as at 31 December 2023 to US\$12.8 million.

The income tax for 1H2024 was provided and adjusted under tax rules of various jurisdictions. The income tax charge net of payment for the period under review had reduced the income tax payable by US\$0.1 million to US\$0.1 million (31 December 2023: US\$0.2 million).

Included in the non-current liabilities were retirement benefit obligations for the Group's Japan subsidiary directors and employees of Korea subsidiary, and deferred tax liabilities related to the withholding tax on

dividends from the profit-making subsidiaries in China and the tax effects of temporary differences between the carrying amounts of assets or liabilities and their tax base.

## STATEMENT OF CASH FLOWS

The Group generated operating cash flows of US\$1.5 million (1H2023: US\$9.3 million). Net cash generated from operating activities amounted to US\$1.2 million (1H2023: US\$8.3 million). The net cash from the operating activities was mainly attributable to the cash released from the trade receivables of US\$3.2 million and cash realized from the trade payables of US\$4.9 million, net of cash tied up in inventory of US\$6.6 million. During 1H2024, the Group paid net income tax amounting to US\$0.2 million (1H2023: US\$0.8 million).

For investing activities, there was a net cash inflow of US\$0.2 million (1H2023: net cash outflow of US\$0.5 million), which were mainly attributable to proceeds received from disposal of property, plant and equipment of US\$0.2 million (1H2023: US\$0.01 million), purchase of property, plant and equipment amounting to US\$0.4 million (1H2023: US\$0.4 million), decreased placement of time deposit of US\$0.2 million (1H2023: increase of US\$0.3 million), and interest received of US\$0.2 million (1H2023: US\$0.06 million).

For financing activities, there was a net cash outflow of US\$6.6 million over the period under review (1H2023: US\$9.8 million). The financing activities mainly comprised the net repayment of bank borrowings amounting to US\$4.3 million during 1H2024 (1H2023: net repayment of US\$7.3 million), and the repayment of lease liabilities amounting to US\$0.8 million (1H2023: US\$0.9 million). In addition, the Group paid dividends to shareholders of US\$1.6 million in 1H2024 (1H2023: US\$1.6 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.**

	30 June 2024	31 December 2023
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	21.48	23.69
- The Company	12.06	12.05

The calculation of the net asset value per ordinary share was based on total number of 225,487,408 (31 December 2023: 225,487,408) 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

As we progress through 2024, the global economy is facing a range of significant challenges. Economic growth is sluggish, retail markets across various regions are encountering numerous obstacles, and consumer spending is on the decline. Traditional manufacturers are grappling with profitability issues due to decreased demand and rising costs for materials and labour.

The ongoing trade tensions, which began with former US President Trump's trade war with China in 2018, have intensified. Developed markets, including Europe and the United States, are increasingly imposing restrictions and high tariffs on Chinese imports to protect local industries. This has also led to the Group's major end-customers to request for relocation of production outside China or to reduce procurement from Chinese suppliers. Consequently, many automotive companies targeting the US market are considering setting up production facilities within or near the US.

These developments have presented challenges for the Group, yet they also offer strategic opportunities. The Group is exploring the possibility of expanding new LCD backlight production into Vietnam, as requested by the Group's largest customer in the backlight units segment. Key issues remain however such as the stability and cost effectiveness of the order quantities. Additionally, the Group has responded positively to another request to set up a production line in the customer's Wuxi plant, where the Group has begun testing small-size backlight panels. This collaboration is expected to strengthen the Group's customer relationships, reduce transportation costs, and improve response times.

Despite these challenges, China remains an essential manufacturing hub due to its advanced supply chain and cost-effective logistics. The Group continues to value China as a key production base while also pursuing expansion in Southeast Asia to meet evolving customer needs.

In response to the changing market landscape and declining customer orders, the Group has adopted a proactive approach to explore new markets, enhance operational efficiency, and streamline costs. The Group has undertaken a comprehensive review of our organizational structure to optimize efficiency and reduce expenses. This includes the consolidation of operations at the Group's two Guangdong-based subsidiaries since the second half of FY2023 and the closure of the Wuxi factory, which had been underperforming, in first half of FY2024. These actions are part of the Group's ongoing rigorous efforts to refine operations and deliver value to shareholders.

## **Business Segment Outlook**

### **LCD Backlight Units**

The LCD backlight unit segment faces near-term constraints as the Group's principal customer shifts focus towards targeted high-growth areas such as automotive, virtual reality, and high-end personal computers. This transition has led to a 38.5% decline in quantities sold of our BLU segment. The Group expects continued challenges throughout 2024. To address this, the Group is expanding its sales channels, identifying new customers, and soliciting for new products. The Group has initiated test production of backlight units for virtual reality headsets, and also plans to supply backlight panels for new vehicle information display models later in the year. Although the production for multimedia entertainment device display panels, which was scheduled for commencement this year, has been delayed by the customer, the Group is committed to strengthening customer relationships and optimising operations.

The Group has responded positively to a customer's request by installing a production line at the customer's Wuxi facility, where the Group is now testing small-size backlight panels. This collaboration is expected to strengthen customer relationships, reduce transportation costs, and improve response times.

### **OEM and Accessories**

After a challenging fiscal year in 2023, the OEM and accessories segment has resumed growth in the second quarter of 2024. Mass production of previously delayed models has commenced, and the Group anticipates this segment will contribute positively to overall performance. The Group's Philippine plant, which reopened in late 2023, is expected to begin formal production in the second half of 2024, contributing to the Group's profitability next year.

The Group has also closed its Wuxi plant due to ongoing business challenges, with a one-off severance payment of approximately US\$0.4 million made to affected staff. The voluntary winding-up process is expected to be completed in the second half of 2024.

### **Office Automation ("OA")**

The Office Automation segment is contending with intense price competition and low profit margins. In response, the Group has engaged in negotiations with the major customer and plans to gradually exit low-margin products. The Group is investing in new automated production equipment to enhance efficiency and reduce labour costs.

Additionally, the Group has integrated the operations of its two Guangdong subsidiaries which commenced since the second half of FY2023, focusing on products with favourable profit margins. Future consolidation of the OA segment into other business segments remains a possibility.

## **Others Segment**

ABio, the Group's life sciences subsidiary, has made progress in modifying the gene sequence to enhance the efficacy and effectiveness of the anti-Cripto-1 antibody for a broader range of cancer cells. We have successfully increased the antibody affinity to the cancer cells by tenfold and plan to enhance that by another tenfold in the next phase of research and development to further boost its efficacy and effectiveness.

Furthermore, our current antibody library is a single-chain fragment variable (scFv) antibody-displaying phage library. The repertoire of antibody genes are more than 13th - 14th power of 10 (10 to 100 Trillion), which is significantly larger than traditional immune antibody libraries. ABio is conducting research to enhance the diversity of its proprietary antibody library. The goal is to provide researchers with a more diverse range of antibodies and an increased likelihood of discovering ones that effectively target specific antigens, both under regular conditions and in critical situations, such as global pandemics.

In line with our previous year-end announcement regarding the new water-soluble compound LANFA, the Group is actively pursuing commercialisation opportunities for LANFA through discussions with various industry partners.

In the electric boat sector, the Group is reviewing agreements for electric sightseeing boat rentals in Osaka, Japan, and have received promising inquiries in Japan for sale and rental of pontoon boats with options of electric and non-electric propulsion systems. This aligns with global sustainability trends, and the Group plans to continue expanding the market in other Asian countries.

## **Managing Risks and Looking Forward**

The Group remains vigilant in managing operational risks while striving to contain costs, reduce production volatility, and improve efficiency amid external challenges. The Group is committed to engaging with customers across all business segments to strengthen relationships and pursue higher-end and higher-margin products.

The Group is also exploring opportunities to diversify its business and production base, particularly in Southeast Asia, to mitigate US-China trade tensions. At the request of a major customer, the Group has established a representative office in Ho Chi Minh City and are conducting a feasibility study for potential production in Vietnam.

Given the current economic conditions and market uncertainties, the Group remains cautious about its outlook for the financial year ending December 31, 2024, barring unforeseen circumstances.

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

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

## 8. Interested Person Transactions

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		US\$'000	US\$'000
Mr. YOSHIMI Kunikazu - Payment of advisory fee	Controlling shareholder	115	-

## 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 34.7%, 42.9% and 21.3% of the total revenue respectively. Total revenue decreased by 22.8% to US\$43.7 million for the six months ended 30 June 2024 as compared to the corresponding period in the previous year.

As at 30 June 2024, non-current assets located in Hong Kong, the PRC, Japan and Korea accounted for 3.5%, 15.6%, 8.7% and 69.2% of the total non-current assets of the Group respectively. During the six months ended 30 June 2024, the Group invested a total capital expenditure of US\$0.4 million for the purchase of equipment in the PRC, Japan, Hong Kong and Thailand and it was mainly for the purposes of replacement with more efficient machinery, and also acquisition of machineries for the new production plant.

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

We, KATO Tomonori and CHEUNG Chi Ming, 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 directors of the Company which may render the financial statements for the six months ended 30 June 2024 to be false or misleading in any material aspect.

## BY ORDER OF THE BOARD

KATO Tomonori  
Chairman and Chief Executive Officer  
14 August 2024

CHEUNG Chi Ming  
Executive Director and Chief Financial Officer