

CDW HOLDING LIMITED

Condensed Interim Consolidated Financial Statements
For the Six Months Ended 30 June 2025

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2025

		Six months ended 30 June		
		2025 US\$'000	2024 US\$'000	% Increase/ (Decrease)
Revenue	4	43,199	43,749	(1.3%)
Cost of sales		(36,267)	(36,166)	0.3%
Gross profit		6,932	7,583	(8.6%)
Other income	7	679	292	132.5%
Distribution costs		(946)	(1,043)	(9.3%)
Administrative expenses		(7,003)	(9,181)	(23.7%)
Loss from operations		(338)	(2,349)	(85.6%)
Finance costs	8	(164)	(149)	10.1%
Loss before tax	9	(502)	(2,498)	(79.9%)
Income tax expense	10	(451)	(64)	604.7%
Loss for the period		(953)	(2,562)	(62.8%)
Loss attributable to:				
Owners of the Company		(929)	(2,333)	(60.2%)
Non-controlling interests		(24)	(229)	(89.5%)
		(953)	(2,562)	(62.8%)
Loss per share (US cents)				
Basic	11	(0.41)	(1.03)	(60.2%)
Diluted		(0.41)	(1.03)	(60.2%)

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
For the six months ended 30 June 2025

		Six months ended 30 June		
		2025 US\$'000	2024 US\$'000	% Increase / (Decrease)
Loss for the period		(953)	(2,562)	(62.8%)
Other comprehensive income / (loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		244	(782)	(131.2%)
<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 arising during the period		28	(47)	(159.6%)
Other comprehensive income / (loss) for the period, net of tax		272	(829)	(132.8%)
Total comprehensive loss for the period		(681)	(3,391)	(79.9%)
Total comprehensive loss attributable to:				
Owners of the Company		(657)	(3,162)	(79.2%)
Non-controlling interests		(24)	(229)	(89.5%)
		(681)	(3,391)	(79.9%)

* N.M.: Not meaningful.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at 30 June 2025

	Note	The Group		The Company	
		As at 30 June 2025 US\$'000	As at 31 December 2024 US\$'000	As at 30 June 2025 US\$'000	As at 31 December 2024 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	3,257	3,623	-	-
Right-of-use assets		2,458	2,419	-	-
Investment in subsidiaries		-	-	11,334	11,334
Amount due from a subsidiary		-	-	15,699	16,458
Goodwill		12,029	12,029	-	-
Other intangible assets		573	536	-	-
Investments	5	505	487	-	-
Other assets		382	447	-	-
Deferred tax assets		98	167	-	-
Total non-current assets		19,302	19,708	27,033	27,792
Current assets					
Inventories	15	11,312	21,300	-	-
Trade receivables		14,059	13,216	-	-
Other receivables and prepayments		3,447	2,964	36	55
Pledged bank deposit	16	500	500	-	-
Cash and bank balances	16	25,689	26,550	115	109
Total current assets		55,007	64,530	151	164
TOTAL ASSETS		74,309	84,238	27,184	27,956
LIABILITIES AND EQUITY					
Current liabilities					
Income tax payable		153	111	-	-
Bank borrowings	17	3,351	5,868	-	-
Lease liabilities		1,395	1,289	-	-
Trade payables		13,176	17,624	-	-
Other payables and accruals		11,982	13,271	112	111
Amount due to an associate	14	319	400	-	-
Total current liabilities		30,376	38,563	112	111
NET CURRENT ASSETS		24,631	25,967	39	53
Non-current liabilities					
Bank borrowings	17	831	-	-	-
Lease liabilities		1,129	1,207	-	-
Retirement benefit obligations		175	641	-	-
Deferred tax liabilities		262	256	-	-
Total non-current liabilities		2,397	2,104	-	-
TOTAL LIABILITIES		32,773	40,667	112	111
NET ASSETS		41,536	43,571	27,072	27,845
Equity attributable to owners of the Company					
Share Capital		10,087	10,087	10,087	10,087
Treasury shares		(4,016)	(4,016)	(4,016)	(4,016)
Retained earnings		23,442	25,725	2,368	3,141
Reserves		13,376	13,103	18,633	18,633
		42,889	44,899	27,072	27,845
Non-controlling interests		(1,353)	(1,328)	-	-
TOTAL EQUITY		41,536	43,571	27,072	27,845
TOTAL LIABILITIES AND EQUITY		74,309	84,238	27,184	27,956

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2025

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 2025	10,087	18,994	(361)	(4,016)	-	(7,020)	3,805	318	1,199	(726)	(3,106)	25,725	44,899	(1,328)	43,571
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(929)	(929)	(24)	(953)
Other comprehensive loss for the period:															
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	244	-	244	-	244
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	28	-	-	28	-	28
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	-	28	244	(929)	(658)	(24)	(681)
Transfer	-	-	-	-	-	-	-	-	1	-	-	(1)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(1,353)	(1,353)	(1)	(1,354)
Balance as at 30 June 2025	10,087	18,994	(361)	(4,016)	-	(7,020)	3,805	318	1,200	(698)	(2,862)	23,442	42,889	(1,353)	41,536

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the six months ended 30 June 2025

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 loss 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 loss for the period	-	-	-	-	-	-	-	-	-	(47)	(782)	(2,333)	(3,162)	(229)	(3,391)
Dividends 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 2025

The Company

	Share capital	Share premium of the Company	Share capital reserve	Treasury shares	Employee share option reserve	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2025	10,087	18,994	(361)	(4,016)	-	3,141	27,845
Total comprehensive income for the period	-	-	-	-	-	580	580
Dividends paid	-	-	-	-	-	(1,353)	(1,353)
Balance as at 30 June 2025	10,087	18,994	(361)	(4,016)	-	2,368	27,072

	Share capital	Share premium of the Company	Share capital reserve	Treasury shares	Employee share option reserve	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
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
Dividends paid	-	-	-	-	-	(1,578)	(1,578)
Balance as at 30 June 2024	10,087	18,994	(361)	(4,016)	111	2,388	27,203

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2025

	The Group	
	Six months ended 30 June	
	2025 US\$'000	2024 US\$'000
OPERATING ACTIVITIES		
Loss before tax	(502)	(2,498)
Adjustments for:		
Increase in provision for inventories	335	38
Depreciation of property, plant and equipment	464	839
Depreciation of right-of-use assets	833	723
Amortisation of other intangible assets	-	1
Interest income	(113)	(192)
Finance costs	164	149
Net loss on disposal of property, plant and equipment	10	64
Retirement benefit obligations	(501)	40
Operating cash flows before movements in working capital	690	(836)
Changes in working capital:		
Other assets	86	(160)
Trade receivables and other receivables	(1,025)	4,498
Inventories	9,687	(6,561)
Amount due to an associate	(83)	(144)
Trade payables and other payables	(5,950)	4,733
Cash generated from operations	3,405	1,530
Net income tax paid	(347)	(185)
Interest paid	(96)	(99)
Net cash from operating activities	2,962	1,246
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	53	180
Purchase of property, plant and equipment	(46)	(405)
Interest income received	113	192
Decrease in time deposit with original maturity of over three months	84	186
Net cash from investing activities	204	153
FINANCING ACTIVITIES		
Proceeds from bank borrowings	4,619	-
Repayment of interest element on lease liabilities	(117)	(50)
Repayment of principal portion of lease liabilities	(838)	(727)
Repayment of bank borrowings	(6,309)	(4,290)
Dividends paid	(1,353)	(1,578)
Dividends paid to non-controlling interests by a subsidiary	(1)	-
Net cash used in financing activities	(3,999)	(6,645)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(833)	(5,246)
NET EFFECT OF CURRENCY TRANSLATION DIFFERENCES	56	(717)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	25,840	26,519
CASH AND CASH EQUIVALENTS AT END OF PERIOD	25,063	20,556
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at banks and on hand	15,322	15,336
Short-term deposits	9,741	5,220
Non-pledged time deposits with original maturity of over three months	626	693
Cash and bank balances as stated in the consolidated statement of financial position	25,689	21,249
Less: Time deposits with original maturity of over three months	(626)	(693)
Cash and bank balances as stated in the consolidated statement of cash flows	25,063	20,556

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, 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 six months ended 30 June 2025 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 2025 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 2024.

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 2025 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 2025 (for entities with a 31 December 2025 year-end) and could be applicable to the Group are:

- Amendments to IAS 21 – Lack of Exchangeability

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 2024.

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 2025

	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	9,957	804	1,169	-	-	11,930
Hong Kong	-	801	15,654	-	-	16,455
Japan	9,483	925	2,065	874	-	13,347
Other	-	-	1,467	-	-	1,467
	19,440	2,530	20,355	874	-	43,199
Inter-segment sales	-	1,179	-	-	(1,179)	-
Total revenue	19,440	3,709	20,355	874	(1,179)	43,199
<u>Results</u>						
Segment result	957	(815)	1,126	(560)	-	708
Unallocated corporate expenses						(1,159)
Operating loss						(451)
Interest income						113
Finance costs						(164)
Loss before income tax						(502)
Income tax expense						(451)
Loss after income tax						(953)
<u>Assets</u>						
Segment assets	27,220	4,854	27,292	13,571	-	72,937
Unallocated assets						1,372
Consolidated total assets						74,309
<u>Liabilities</u>						
Segment liabilities	9,999	1,590	13,202	253	-	25,044
Bank borrowings and lease liabilities						6,706
Unallocated liabilities						1,023
Consolidated total liabilities						32,773
<u>Other information</u>						
Capital expenditure	42	-	4	-	-	46
Right-of-use assets	195	187	451	10	-	843
Depreciation of property, plant and equipment	297	34	126	7	-	464
Depreciation of right-of-use assets	346	91	373	23	-	833
Increase in allowance for inventories	75	67	163	30	-	335

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
Revenue from contracts with customers						
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
Results						
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)
Assets						
Segment assets	29,894	5,737	36,782	16,964	-	89,377
Unallocated assets						1,716
Consolidated total assets						91,093
Liabilities						
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
Other information						
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

Other Geographical Segment information for the six months ended 30 June 2025 and 2024

	Non-Current Assets		Capital Expenditure	
	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Hong Kong	805	763	-	58
PRC	2,833	3,417	42	282
Japan	1,750	1,907	-	16
Korea	12,793	15,198	-	-
Others	518	668	4	49
Total	18,699	21,953	46	405

Non-current assets mainly comprised of goodwill, property, plant and equipment, right-of-use assets and deposits.

Information about major customer

Revenue contribution of the key customers from LCD Backlight Units segment and that from OEM and Accessories segment accounted for 73.0% of the total revenue for the six months ended 30 June 2025 (Six months ended 30 June 2024: 75.4%).

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
The Group				
30 June 2025				
Assets measured at fair value				
Financial assets:				
Equity investments designated at fair value through other comprehensive income ("FVTOCI"):				
Listed equity investment at fair value (Sharp Corporation)	40	-	-	40
Unlisted equity investment at fair value (Electrine Inc.)	-	-	465	465
Total non-current assets measured at fair value	40	-	465	505

31 December 2024

Assets measured at fair value

Financial assets:

Equity investments designated at FVTOCI:

Listed equity investment at fair value (Sharp Corporation)	53	-	-	53
Unlisted equity investment at fair value (Electrine Inc.)	-	-	434	434
Total non-current assets measured at fair value	53	-	434	487

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 2024	558
Total gains or losses recognised in other comprehensive income	(124)
At 31 December 2024	434
Total gains or losses recognised in other comprehensive income	31
At 30 June 2025	465

During the period ended 30 June 2025 and the year ended 31 December 2024, there were no transfer of fair value measurement between Level 1 and Level 2 and no transfer 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 2025 and 31 December 2024.

	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
30 June 2025				
Unlisted equity investment at fair value	Recent transaction method under market approach and equity allocation model	Equity volatility	35% to 65%	5% increase in volatility would result in decrease in fair value by US\$9,440
		Discount for lack of marketability (“DLOM”)	1% to 9%	5% increase in discount rate would result in decrease in fair value by US\$46,004
31 December 2024				
Unlisted equity investment at fair value	Recent transaction method under market approach and equity allocation model	Equity volatility	30% to 60%	5% increase in volatility would result in decrease in fair value by US\$4,922
		DLOM	0% to 13%	5% increase in discount rate would result in decrease in fair value by US\$24,169

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 2025 and 31 December 2024.

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 2025 US\$'000	31 December 2024 US\$'000	30 June 2025 US\$'000	31 December 2024 US\$'000
Financial assets:				
Financial assets measured at FVTOCI	505	487	-	-
Financial assets measured at amortised cost	<u>42,745</u>	<u>42,339</u>	<u>15,850</u>	<u>16,622</u>
Financial liabilities:				
Financial liabilities at amortised cost	<u>32,090</u>	<u>39,534</u>	<u>112</u>	<u>111</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 2025				31 December 2024			
	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	16,556	-	-	16,556	15,289	-	-	15,289
Cash and short-term deposits	<u>28,924</u>	-	-	<u>28,924</u>	<u>27,386</u>	-	-	<u>27,386</u>
Total undiscounted financial assets	<u>45,480</u>	-	-	<u>45,480</u>	<u>42,675</u>	-	-	<u>42,675</u>
Financial liabilities:								
Trade and other payables	25,065	-	-	25,065	30,771	-	-	30,771
Lease liabilities	1,459	1,188	-	2,647	1,348	1,272	-	2,620
Bank borrowings	<u>3,626</u>	<u>831</u>	-	<u>4,457</u>	<u>6,216</u>	-	-	<u>6,216</u>
Total undiscounted financial liabilities	<u>30,150</u>	<u>2,019</u>	-	<u>32,169</u>	<u>38,335</u>	<u>1,272</u>	-	<u>39,607</u>
Total net undiscounted financial assets / (liabilities)	<u>15,330</u>	<u>(2,019)</u>	-	<u>13,311</u>	<u>4,340</u>	<u>(1,272)</u>	-	<u>3,068</u>
THE COMPANY								
Financial assets:								
Other receivables	36	-	-	36	55	-	-	55
Cash and short-term deposits	115	-	-	115	109	-	-	109
Amount due from a subsidiary	-	15,699	-	15,699	-	16,458	-	16,458
Total undiscounted financial assets	<u>151</u>	<u>15,699</u>	-	<u>15,850</u>	<u>164</u>	<u>16,458</u>	-	<u>16,622</u>
Financial liabilities:								
Other payables	112	-	-	112	111	-	-	111
Total undiscounted financial liabilities	<u>112</u>	-	-	<u>112</u>	<u>111</u>	-	-	<u>111</u>
Total net undiscounted financial assets	<u>39</u>	<u>15,699</u>	-	<u>15,738</u>	<u>53</u>	<u>16,458</u>	-	<u>16,511</u>

7 OTHER INCOME

	The Group	
	Six months ended 30 June	2024
	2025	
	US\$'000	US\$'000
Net foreign exchange gain	506	-
Interest income	113	192
Compensation from government	9	30
Sundry income	51	70
	<u>679</u>	<u>292</u>

8 FINANCE COSTS

	The Group	
	Six months ended 30 June	2024
	2025	
	US\$'000	US\$'000
Interest expense on:		
Bank borrowings	96	99
Lease liabilities	68	50
	<u>164</u>	<u>149</u>

9 LOSS BEFORE TAX

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

	The Group	
	Six months ended 30 June	2024
	2025	
	US\$'000	US\$'000
Audit fees paid to:		
Auditors of the Company	120	122
Other auditors	47	107
Non-audit fees paid to:		
Auditors of the Company	-	-
Other auditors	2	5
Employee benefits expenses	8,157	10,058
Depreciation of property, plant and equipment	464	839
Depreciation of right-of-use assets	833	723
Increase in provision for inventories	335	38
Inventories recognised as an expense in cost of sales	29,494	27,536
Net loss on disposal of property, plant and equipment	10	64
Net foreign exchange (gain) / loss	<u>(506)</u>	<u>26</u>

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 2025 and 2024 are:

	The Group	
	Six months ended 30 June	2024
	2025	
	US\$'000	US\$'000
Current income tax	370	107
Deferred tax	81	(43)
	<u>451</u>	<u>64</u>

11 LOSS PER SHARE

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

	Six months ended 30 June	
	2025	2024
Based on weighted average number of ordinary shares in issue (US cents)		
- Basic	(0.41)	(1.03)
- Fully diluted (Note a)	(0.41)	(1.03)
Weighted average number of ordinary shares for the purpose of basic loss per ordinary share (Note b)	<u>225,487,408</u>	<u>225,487,408</u>

Note a: Diluted effect on loss 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	
	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
Declared and paid during the period:		
Dividends on ordinary shares:		
Special exempted dividend for 2024: US\$0.2 cent per share	451	-
Final exempted dividend for 2024: US\$0.4 cent per share		
(Final exempted dividend for 2023: US\$0.7 cent per share)	902	1,578
	<u>1,353</u>	<u>1,578</u>
	The Group and Company	The Group and Company
	Six months ended 30 June	Six months ended 30 June
	2025	2024
	US\$'000	US\$'000

Declared but not recognised as a liability:

Estimated dividends on ordinary shares as at 30 June:

Interim exempted dividend for 2025: US\$0.4 cent per share		
(Interim exempted dividend for 2024: US\$0.3 cent per share)	902	676
Special exempted dividend for 2025: nil		
(Special exempted dividend for 2024: US\$0.2 cent per share)	-	451
	<u>902</u>	<u>1,127</u>

Date payable

The Company declared an interim dividend of US\$0.4 cent per ordinary share and will be payable on 25 September 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 2025 at 5:00 pm. 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 2025 will be registered to determine shareholders' entitlement to the dividend.

13 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets with a cost of US\$46,000 (30 June 2024: US\$405,000).

Assets with a net book value of US\$63,000 were disposed by the Group during the six months ended 30 June 2025 (30 June 2024: US\$244,000), resulting in a net loss on disposal of US\$10,000 (30 June 2024: net loss of US\$64,000).

14 INVESTMENT IN AN ASSOCIATE

	30 June 2025 US\$'000	The Group 31 December 2024 US\$'000
Amount due to an associate	319	400

The investment in Suzhou Pengfu Photoelectric Technology Co., Limited (“Suzhou Pengfu”) was fully impaired in prior years due to minimal recoverable amount for Suzhou Pengfu after consecutive years of losses made since incorporation.

The amount due to an associate arises from trade transactions that are non-interest bearing and generally payable in 30 to 45 days.

15 INVENTORIES

	30 June 2025 US\$'000	The Group 31 December 2024 US\$'000
Consolidated statement of financial position:		
Raw materials	8,896	18,317
Work-in-progress	40	27
Finished goods	2,376	2,956
	<u>11,312</u>	<u>21,300</u>

	Six months ended 2025 US\$'000	The Group 30 June 2024 US\$'000
Consolidated statement of profit or loss:		
Inventories recognised as an expense in cost of sales	29,494	27,536
Inclusive of the increase in provision for inventories included in cost of sales	<u>335</u>	<u>38</u>

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

PLEDGED BANK DEPOSIT AND CASH AND CASH EQUIVALENTS

	The Group		The Company	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	US\$'000	US\$'000	US\$'000	US\$'000
Cash at banks and on hand	15,322	18,693	115	109
Short-term deposits	9,741	7,147	-	-
	<u>25,063</u>	<u>25,840</u>	<u>115</u>	<u>109</u>
Time deposits with original maturity of over three months	626	710	-	-
	<u>25,689</u>	<u>26,550</u>	<u>115</u>	<u>109</u>
Pledged bank deposit	<u>500</u>	<u>500</u>	<u>-</u>	<u>-</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 the fixed deposits.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 7 days to 180 days (31 December 2024: 7 days to 90 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 2025 for the Group was 3.4% per annum (31 December 2024: 3.9%).

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 regulatory restrictions and are therefore not available for general use by the Group.

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

	The Group	
	30 June 2025	31 December 2024
	US\$'000	US\$'000
JPY	538	206
US\$	17,020	15,859
RMB	247	32
SG\$	<u>117</u>	<u>84</u>

17 BANK BORROWINGS

		The Group	
	Maturity	30 June 2025 US\$'000	31 December 2024 US\$'000
Current:			
Bank borrowings, secured	On demand	1,300	1,908
Bank borrowings, unsecured	2026 (31 December 2024: 2025)	2,051	3,960
		<u>3,351</u>	<u>5,868</u>
Non-current:			
Bank borrowings, unsecured	2028	831	-
Total bank borrowings		<u>4,182</u>	<u>5,868</u>

The bank borrowings are interest bearing at rates ranging from 2.80% to 5.80% (31 December 2024: 4.66% to 6.49%) per annum.

Bank borrowings amounting to US\$2,632,000 (31 December 2024: US\$3,210,000) are unsecured and carry variable interest rates quoted by the banks with reference to their cost of fund.

Bank borrowings amounting to US\$250,000 (31 December 2024: US\$750,000) are unsecured and carry fixed interest rates.

Management considered the fair value of the Group's fixed rate bank borrowings is US\$250,000 (31 December 2024: US\$753,000).

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	
		2025 US\$'000	2024 US\$'000
Controlling shareholder:			
Advisory fee	(i)	115	115
Associates:			
Purchase of products	(ii)	<u>576</u>	<u>531</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	
	2025 US\$'000	2024 US\$'000
Salaries, allowances and benefits in kind	925	1,209
Defined contribution plans	<u>10</u>	<u>18</u>
	<u>935</u>	<u>1,227</u>
Comprise amounts paid to:		
Directors of the Company	421	419
Other key management personnel	<u>514</u>	<u>808</u>
	<u>935</u>	<u>1,227</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.

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 2025, 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 2025 the Company did not purchase any ordinary shares under the Share Purchase Mandate.

Treasury shares

	The Company			
	2025		2024	
	Number of shares	US\$'000	Number of shares	US\$'000
Balance as at 1 January	26,689,702	4,016	26,689,702	4,016
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>26,689,702</u>	<u>4,016</u>
Balance as at 30 June	<u>26,689,702</u>	<u>4,016</u>	<u>26,689,702</u>	<u>4,016</u>

	As at 30 June 2025	As at 31 December 2024
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 2025 and 2024, there were no sales, transfers, disposal and/or use of treasury. As at 30 June 2025, there were 26,689,702 (31 December 2024: 26,689,702) ordinary shares held as treasury shares.

Share Options

As at 30 June 2024, the number of outstanding options was 3,500,000 with exercise price at S\$0.14. There were no share options granted or exercised during the year ended 31 December 2024, and all the outstanding options were lapsed on 20 August 2024.

There were no share options outstanding as at 30 June 2025.

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 2025 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

2025 Half-Year Group Performance Review

For the six months ended 30 June 2025 ("1H2025"), the Group delivered a resilient performance despite market softness in certain segments. Revenue came in at US\$43.2 million, a marginal decrease of US\$0.6 million from US\$43.7 million in the same period last year ("1H2024"). This was primarily attributable to continued weak demand in the Group's BLU business, where sales volumes fell 15.8% to approximately 1.70 million units (1H2024: 2.02 million units). Encouragingly, this impact was partially offset by a solid rebound in the OEM business, reflecting management's efforts to strengthen and diversify the Group's revenue base.

Gross profit for the period was US\$6.9 million (1H2024: US\$7.6 million), with a gross margin of 16.0%, compared to 17.3% in 1H2024. The margin was broadly in line with the full-year 2024 level, underscoring pricing discipline in a competitive market.

Other operating income rose to US\$0.7 million (1H2024: US\$0.3 million), supported by a net foreign exchange gain of US\$0.5 million (1H2024: net loss of US\$26,000), interest income of US\$0.1 million (1H2024: US\$0.2 million), as well as government compensation and other income sources.

The Group achieved meaningful cost efficiencies during the period. Distribution expenses decreased to US\$0.9 million (1H2024: US\$1.0 million) on the back of reduced freight, storage, and packaging material costs. Administrative expenses declined significantly by US\$2.2 million to US\$7.0 million (1H2024: US\$9.2 million), reflecting lower staff costs (down US\$1.2 million), reduced depreciation charges (down US\$0.4 million), and lower legal and professional fees (down US\$0.2 million). These savings are a result of the Group's continued focus on operational discipline and cost optimisation.

Finance costs were stable at US\$0.16 million (1H2024: US\$0.15 million) as the Group maintained a low borrowing level, mitigating interest expenses amid persistently high interest rates.

Income tax expense increased to US\$0.45 million (1H2024: US\$0.06 million), mainly due to withholding taxes paid during the period. However, the loss-making subsidiaries were not able to mitigate the income taxes payable by profit-making subsidiaries.

Overall, the Group reported a narrowed loss before income tax of US\$0.5 million (1H2024: loss of US\$2.5 million) and a loss after income tax of US\$1.0 million (1H2024: loss of US\$2.6 million). The improved bottom-line performance reflects management's swift and decisive actions to address market headwinds, control costs, and strengthen operational efficiency.

2025 Half-Year Segment Performance Review

LCD Backlight Units (“BLUs”)

In 1H2025, revenue from the LCD Backlight Units segment declined by US\$2.8 million to US\$19.4 million (1H2024: US\$22.2 million). Despite the lower turnover, segmental operating profit increased by US\$0.73 million to US\$0.96 million (1H2024: US\$0.23 million), supported by cost control initiatives and operational efficiency improvements implemented during the period.

The Group sold 1.52 million vehicle information display units during the period, compared to 1.77 million units in 1H2024. Sales of premium notebook computer backlight panels totalled 0.18 million units, slightly lower than the 0.23 million units recorded in the prior corresponding period.

Size of backlight units	1H2025 (in millions of units)	1H2024 (in millions of units)
Below 5 inches	0.04	0.02
5 to 8 inches	0.00	0.08
Over 8 inches	1.66	1.92
Total number of units	1.70	2.02

End product type	1H2025 (in millions of units)	1H2024 (in millions of units)
Vehicle Information Display	1.52	1.77
Premium Notebook Computer	0.18	0.23
Others	0.00	0.02
Total number of units	1.70	2.02

Overall, total backlight unit sales were 1.70 million units in 1H2025, compared to 2.02 million units in 1H2024. Consistent with the Group’s earlier guidance, demand for smaller-sized backlight units (8 inches and below) continues to taper off, with larger-sized units (over 8 inches) expected to form an increasing proportion of segment revenue over time.

Office Automation (“OA”)

Revenue from the OA segment decreased by US\$1.1 million to US\$2.5 million in 1H2025 (1H2024: US\$3.6 million). The segment recorded an operating loss of US\$0.8 million (1H2024: operating loss US\$0.02 million), reflecting weaker sales volumes and margin pressures.

As disclosed previously, the segment has faced a lack of new product introductions from customers, resulting in the continued production of older models that carry lower margins and are subject to rising material costs. During the period, the management team engaged in strategic discussions with a key customer and reached an agreement to transfer or cease production of certain legacy products by mid-2025. Concurrently, the Group has invested in new machinery to enhance production efficiency and will continue to explore additional operational improvements.

OEM and Accessories

The OEM and Accessories segment achieved revenue growth of US\$3.7 million, increasing to US\$20.4 million in 1H2025 from US\$16.7 million in 1H2024. Other than the LCD Parts & Precision Accessories business of the segment, the OEM business accounted for US\$17.2 million in sales, up US\$2.9 million from US\$14.3 million in 1H2024.

Segmental profitability improved significantly, with an operating profit of US\$1.1 million in 1H2025, compared to an operating loss of US\$0.5 million in the previous corresponding period. The OEM business contributed US\$1.0 million in operating profit to the segment performance (1H2024: US\$0.3 million).

Others

The Others segment, comprising the Group’s businesses in food and beverages, life sciences, and environment, generated revenue of US\$0.9 million in 1H2025 (1H2024: US\$1.2 million).

Sales of the antioxidant water system contributed US\$0.4 million (1H2024: US\$0.9 million), while sales and rental income from pontoon boat services amounted to US\$0.2 million (1H2024: nil).

The Life Science business, which remains in its early development stage, continued to incur research-related expenses, resulting in an operating loss of US\$0.6 million for the period. This represents an improvement from the US\$1.3 million operating loss recorded in 1H2024.

Review of Financial Position

As at 30 June 2025, the Group recorded total assets of US\$74.3 million and total liabilities of US\$32.8 million, compared to US\$84.2 million and US\$40.7 million, respectively, as at 31 December 2024.

Assets

Current assets stood at US\$55.0 million (31 December 2024: US\$64.5 million). Cash and bank balances, together with pledged bank deposits, were maintained at US\$26.2 million (31 December 2024: US\$27.1 million). Trade receivables remained stable at US\$14.1 million (31 December 2024: US\$13.2 million). Inventories decreased from US\$21.3 million to US\$11.3 million, reflecting the fulfilment of OEM customer orders in the first half of 2025. Other receivables and prepayments amounted to US\$3.5 million (31 December 2024: US\$3.0 million), mainly comprising other debtors, utility deposits, prepaid expenses, value-added tax recoverable, and prepaid sales tax. The increase was primarily due to higher other debtors (up US\$0.5 million).

Non-current assets totalled US\$19.3 million (31 December 2024: US\$19.7 million). Property, plant and equipment amounted to US\$3.3 million (31 December 2024: US\$3.6 million), reflecting additions of US\$0.05 million, offset by depreciation charges of US\$0.5 million and asset disposals with a net book value of US\$0.06 million. Right-of-use assets remained broadly unchanged at US\$2.5 million (31 December 2024: US\$2.4 million), with amortisation of US\$0.8 million and additions of US\$0.8 million during the period.

Equity investments designated at fair value through other comprehensive income comprised quoted shares of SHARP Inc. and unlisted equity shares of Electrine Inc., the latter providing the Group with manufacturing and distribution rights for its products. Goodwill of US\$12.0 million, arising from the acquisition of A Biotech Co., Ltd. ("ABio"), reflects anticipated future economic benefits from the business combination that are not individually identified or separately recognised. Other intangible assets comprise the value of In-Process Research & Development held by ABio.

Liabilities

Total liabilities declined by US\$7.9 million to US\$32.8 million (31 December 2024: US\$40.7 million). Lease liabilities remained at US\$2.5 million, of which US\$1.4 million was classified as current (31 December 2024: US\$1.3 million). Movements reflected lease repayments of US\$0.8 million and new leases of US\$0.8 million during the period.

Amid high prevailing market interest rates, the Group reduced bank borrowings by a net US\$1.7 million, bringing total borrowings to US\$4.2 million (31 December 2024: US\$5.9 million), of which US\$3.4 million is payable within one year (31 December 2024: US\$5.9 million).

Following a temporary production delay instruction from an OEM customer, purchases were scaled back in the second quarter of 2025. As a result, trade payables decreased by US\$4.4 million to US\$13.2 million (31 December 2024: US\$17.6 million). Credit terms from suppliers remained unchanged, with payments made in accordance with agreed terms. Other payables and accruals, comprising mainly customer deposits, wages payable, and other operating expenses, fell by US\$1.3 million to US\$12.0 million.

Income tax payable increased slightly to US\$0.15 million (31 December 2024: US\$0.11 million), reflecting the net tax charge after payments under various jurisdictional tax rules.

Non-current liabilities primarily comprised retirement benefit obligations for directors and employees of the Group's Japan and Korea subsidiaries, as well as deferred tax liabilities arising from withholding taxes on dividends from profit-generating subsidiaries in China and from temporary differences between the carrying amounts and tax bases of certain assets and liabilities.

Review of Cash Flows

For the six months ended 30 June 2025, the Group generated net cash from operating activities of US\$3.0 million (1H2024: US\$1.2 million), representing a substantial improvement year-on-year. This was

underpinned by higher operating cash flows of US\$3.4 million (1H2024: US\$1.5 million), primarily driven by the release of US\$9.7 million from inventories, partially offset by an increase of US\$6.0 million in trade and other payables, accruals, and US\$1.0 million in trade and other receivables and prepayments. The Group also paid net income tax of US\$0.3 million (1H2024: US\$0.2 million) during the period.

Net cash inflow from investing activities amounted to US\$0.2 million (1H2024: US\$0.2 million), mainly attributable to proceeds from the disposal of property, plant and equipment of US\$0.05 million (1H2024: US\$0.2 million), offset by capital expenditure of US\$0.05 million (1H2024: US\$0.4 million). Interest income of US\$0.1 million (1H2024: US\$0.2 million) further contributed to the inflow.

Net cash used in financing activities totalled US\$4.0 million (1H2024: US\$6.6 million), reflecting a reduced net repayment of bank borrowings of US\$1.7 million (1H2024: US\$4.3 million) and lease liabilities of US\$1.0 million (1H2024: US\$0.8 million). In addition, the Group paid dividends of US\$1.4 million (1H2024: US\$1.6 million) to shareholders.

Overall, the Group's strengthened operating cash generation, disciplined capital expenditure, and prudent debt reduction measures underscore the effective stewardship of the management and finance team in enhancing liquidity and supporting shareholder returns.

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 2025	31 December 2024
Net asset value per ordinary share, excluding treasury shares (US cents)		
- The Group	18.42	19.32
- The Company	12.01	12.35

The calculation of the net asset value per ordinary share was based on total number of 225,487,408 (31 December 2024: 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

The global trade landscape remains shaped by heightened geopolitical tensions, particularly the prolonged US-China trade friction, which continues to distort established trade flows and regulatory frameworks. This has prompted many multinational manufacturers to diversify their supply chains, shifting portions of production to countries with more favorable tariff arrangements.

Nevertheless, China remains integral to the global manufacturing ecosystem. Its well-established supply chain infrastructure, cost advantages, and economies of scale make complete disengagement impractical in the near term. CDW's production facilities in Shanghai and Dongguan therefore continue to play a critical role in supporting our operational requirements and meeting customer demand.

Indirectly, the trade tensions have contributed to order delays and reduced purchasing volumes as customers adopt a more cautious stance in the absence of clear tariff resolutions. In the automotive display market, our end customers face intensified competition from Chinese automakers, which has placed additional pressure on Backlight Unit ("BLU") volumes.

In response, the Group remains committed to its diversification strategy, actively assessing alternative production sites in Southeast Asia to enhance supply chain resilience and mitigate geopolitical risk. At the same time, we continue to invest in product innovation to broaden our customer base and position for growth in emerging markets.

Despite two consecutive years of losses and a decline in net assets to US\$41.5 million, the Group's financial position remains sound, underpinned by stable net current assets of approximately US\$24.6 million, cash and bank balances of US\$26.2 million, a low gearing ratio, and established relationships with key financial institutions. The Board and management do not foresee any going concern issues. No counterparties have sought to terminate or suspend material contractual obligations, and the Group remains confident in its ability to meet all material commitments.

Business Segment Outlook

LCD Backlight Units ("BLU")

The BLU segment continues to operate in a competitive and evolving market environment.

1. Impact of Trade Tensions & Chinese Auto Industry Expansion

The ongoing US-China trade tensions, coupled with the "going-out" strategy of Chinese automotive manufacturers, have created intense competitive and operational pressures for our end customers. These pressures have translated into reduced order volumes, as customers adopt a cautious stance amid tariff uncertainties and heightened competition. In response, the BLU management team has implemented stringent cost control measures, including rigorous budget oversight, prioritization of essential expenditures, and streamlined operational workflows. These efforts have successfully improved profitability within the segment and laid a solid foundation for future order recovery.

2. Strategic Positioning

Facing aggressive pricing competition from Chinese manufacturers, the Group has focused on premium, high-functionality products that are delivered with highly reliable mass production performance, and strong management commitment to customer satisfaction. In addition, the Group is developing and promoting a new backlight unit technology tailored for vehicle information displays, aiming to meet evolving industry demands. The Group will continue to explore and engage new customers to broaden its customer base, ensuring sustained relevance and competitiveness in a cost-sensitive market.

3. High-End Notebook Display Market

Demand for high-end notebook BLUs remains subdued, impacted by weak consumer sentiment and extended product refresh cycles.

CDW will continue to manage this market segment through disciplined operations, product innovation and customer-centric strategies while pursuing diversification opportunities, and evolving customer needs in the display technology space.

OEM and Accessories

The OEM segment has delivered strong performance, supported by the recovery of the US retail market and global expansion by a key customer. Production during the period was concentrated on mobile payment devices, particularly large-format POS machines, with several strategically positioned regional manufacturing sites and final assembly in Thailand for distribution to the US, Europe, and other markets.

Mass production in the Philippines commenced in 1H2025 for Surface Mount Technology (SMT) and assembly services, adding capacity and geographic flexibility. Given ongoing order momentum and customer engagement, the Group is evaluating capacity expansion in both Thailand and the Philippines.

Looking ahead, the Group is resolutely dedicated to fostering new customer relationships and expanding our footprint within the OEM segment. These strategic initiatives will not only enhance the segment's contributions but also play a vital role in driving the Group's long-term growth and profitability.

Office Automation (“OA”)

The OA segment remains challenged by a lack of new product introductions. An agreement has been reached with a major customer to phase out or transfer certain legacy products by mid-2025, allowing resources to be redirected to higher-margin opportunities.

Management is considering selective automation investments to improve cost efficiency of existing profitable product lines, and is actively seeking new customers and product lines.

Management believes the OA segment is now on a path of recovery, with a clearer strategic focus and improved operational discipline. These changes are anticipated to contribute positively to the Group’s overall performance in the near future. Should turnover decline further, consolidation of OA into the “Others” segment will be considered to optimize resource allocation and reporting.

Others Segment

Life Sciences

Under the Group’s life sciences arm, ABio continues R&D collaborations with South Korea-based Neoregen, focusing on applying CDW’s proprietary LANFA technology to lipid nanoparticles for mRNA vaccine production. Initial testing has yielded positive results, and the research is progressing on schedule.

In parallel, ABio is working to enhance its anti-crypto-1 antibody by modifying its gene sequence to improve efficacy and broaden its effectiveness across a wider range of cancer cell types. Additionally, the team is expanding its proprietary antibody library, aiming to provide researchers with a more diverse and robust set of antibodies. This initiative is designed to increase the likelihood of discovering high-value antibodies capable of targeting specific antigens, both under normal conditions and in critical scenarios such as global pandemics.

Given that ABio’s projects are still in the early to mid-stages of development, revenue generation is not expected in the near term. To support ongoing and future research, ABio’s management is actively evaluating fundraising strategies, including the introduction of new investors and professional biotech funds. These strategic partnerships are intended to strengthen ABio’s financial foundation and provide technical and advisory support to accelerate its research programs.

Environment

The Group has developed a sales network for electric and non-electric pontoon boats, providing an environmentally sustainable alternative to conventional fiberglass vessels. The Japan subsidiary is actively marketing to tour operators and commercial clients in Tokyo, Osaka and at the Osaka Expo.

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 31 December 2025, 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 38.1%, 27.6% and 30.9% of the total revenue respectively. Total revenue decreased by 1.3% to US\$43.2 million for the six months ended 30 June 2025 as compared to the corresponding period in the previous year.

As at 30 June 2025, non-current assets located in Hong Kong, the PRC, Japan and Korea accounted for 4.3%, 15.2%, 9.4% and 68.4% 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\$46,000 for the purchase of equipment in the PRC and Thailand and it was mainly for the purposes of replacement with more efficient machinery. The group is investing and expanding the Philippine factory in the second half of 2025.

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 2025 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

KATO Tomonori
Chairman and Chief Executive Officer
14 August 2025

CHEUNG Chi Ming
Executive Director and Chief Financial Officer