

FUELING GROWTH SHAPING THE FUTURE

ANNUAL REPORT 2025



日本の技術力と信頼性を世界へ

**A Reliable Outsourcing Partner
with Japanese Precision**

With an eagle-eyed focus on producing higher margin, popular consumer electronics, while expanding prudently and managing costs, we are on the right course for long-term sustainable growth. That's sound strategies.

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APPLICATIONS

OUR PRODUCTS

LCD Backlight Units



OEM and Accessories



Office Automation



LOCATIONS OF OPERATIONS



Tomoike Industrial Co., Limited



Tomoike Precision Machinery (Shanghai) Co., Limited



Crystal Display Components (Shanghai) Co., Limited



Tomoike Precision Machinery (Dongguan) Co., Limited



Tomoike Industrial (Philippines) Incorporated



A Biotech Co., Limited



CDW Life Science Limited



Menkobo Mugaruma Co., Limited

CORPORATE MILESTONES

1991	1993	1996	2001	2003	2005
Our founder, Mr Yoshimi Kunikazu ("Mr Yoshimi"), set up TM Hong Kong as a private trading company in Hong Kong engaging in the trading of precision accessories for electrical and electronic appliances.	The Group identified the trend of large Japanese corporations shifting their production facilities to China and started supplying them with cost efficient precision accessories sourced from manufacturers in Hong Kong and China.	The Group established TM Shanghai in Jiading, Shanghai, China to manufacture precision accessories for customers involved in the production of office equipment.	CD Shanghai commenced production of LCD Backlight Units for colour mobile phones.	The Group established Tomoike Electronics (Shanghai) Co., Limited ("TM Pudong") to perform the processing functions of precision components for our LCD Parts and Accessories business.	Shares of the Company were listed on the main board of the Singapore Stock Exchange in January. TM Dongguan was established and commenced production of LCD Backlight Units for colour mobile phones and entertainment equipment in December.
2006	2007	2008	2010	2011	2012
The Group acquired the controlling stake in TM Japan in July. TM Japan joined the Group to extend the Group's sales and marketing network in Japan, supplying precision components for LCD Backlight Units and related products and supplying and manufacturing precision accessories for office equipment and electrical and electronic appliances.	The Group completed the acquisition of TM Japan by issuing 18,405,221 new shares as consideration in September. As a result of the completion, TM Japan became a wholly-owned subsidiary of the Group.	The Group expanded capacity for Office Automation segment and WH Dongguan started production in September. This Dongguan factory aims to serve customers in Southern China.	The Group acquired 72% equity interest in S.M.T. Assembly Limited ("SMT Hong Kong"), a company specialising in the provision of surface mount technology production services in electronics production assembly.	Dongguan Dali S.M.T. Limited (SMT Dongguan) and Shanghai Gu Chang Yu Printing Technology Co., Limited ("GCY Shanghai") were established in order to secure and enhance the business of the Group. The Group increased equity interest from 72% to 86% in SMT Hong Kong.	Mr Urano Koichi succeeded as Chairman and CEO from our founder, Mr Yoshimi, and formed a new board.

CORPORATE MILESTONES

2013	2014	2015	2016	2017	2018
<p>The Group acquired 100% equity interest in MT Wuxi.</p>	<p>The Group increased equity interest from 86% to 100% in SMT Hong Kong and it became a wholly-owned subsidiary of TM Hong Kong. Guru Guru (subsequently renamed as Tomoike Bio Limited) was established to perform general trading in Hong Kong.</p>	<p>The Group incorporated Muguruma in Japan to enter food and beverage-business. The Group acquired 25% equity interest in Suzhou Pengfu to secure a continuous supply of light guide panels which are a key component of LCD Backlight Units.</p>	<p>BJ Cooperation was incorporated in Bangladesh in March to look for business opportunities. The Group set up TWB in Japan in April to expand food and beverage business. The Group acquired intellectual property rights in August to explore and develop a new biotech business.</p>	<p>CLS was incorporated in Japan in January to provide Biotech related research and marketing of healthcare and beauty products. After the incorporation of ABio in 2018, CLS focused on marketing of healthcare and beauty products.</p>	<p>The Group acquired 95% equity interest in GSP for research and development of an antibodies library in January. TM Pudong transferred its business to TM Shanghai and was sold in August.</p> <p>A Biotech Co., Limited ("ABio") was incorporated in Korea in January for application of biotechnology to research and develop antibodies related products. After the disposal of 32.9% interest in ABio, it became an associated company of the Group.</p>
2019	2020	2021	2022	2024	
<p>TM Philippines was incorporated in the Philippines in June for manufacturing, processing and assembly of printed circuit board, mobile payment device, niche precision components and insulating materials.</p>	<p>CDW experienced growing demand from leading car makers with the shift towards digital instrument panels in mass market car models. The patent filed by CDW and ABio was awarded in September for the use of Cripto-1 to suppress the progression of cancer stem cells.</p>	<p>The Group launched anti-aging skincare brand under YOSHIMI JAPAN in Asia in September. In November, the Group commenced pre-clinical trials at the Korean Cancer Center aims to evaluate the efficacy of anti-Cripto-1 antibody on inhibiting brain tumour growth in mice.</p>	<p>The Group increased equity interest from 48.5% to 71.5% in ABio, and it became a subsidiary in April. Our Shanghai operation experienced interruption due to Shanghai Municipal Government's COVID-19 lockdown instruction. Upon resumption from June, the Group recovered its performance in the second half of the year.</p>	<p>The Group resumed operation and prepared for mass production at TM Philippines in 2024. In September 2024, Minami Tec (Wuxi) Co., Limited completed voluntary winding-up. The Group consolidated the operations of its Dongguan subsidiaries into TM Dongguan to improve organisational efficiency. Additionally, it increased its equity interest in ABio from 71.5% to 79.6% in December 2024.</p>	

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

On behalf of the Board and the Management of CDW Holding Limited, I am pleased to present the annual report for the financial year ended 31 December 2025 ("FY2025").

Over the year under review, our business environment remained volatile with evolving trade policies, trade tariffs and geo-political tensions all in the mix, resulting in a complex operating and investment background, not only for ourselves but for our business partners as well.

Ongoing US-China trade tensions, including the "China Plus One" phenomenon where manufacturers are increasingly looking to alternative sites outside of China for manufacturing, which have dampened demand for the Group's products.

Through this tumult, our Group has remained steadfast and strong, focused on our long-term diversification strategy for country production sites, products and our business model.

We believe this strategy will strengthen the Group's resilience, and help us navigate the changing tides in our business environment.

In Financial Year 2025, the Group booked revenue of US\$87.4 million, a slight increase of 1.8% or US\$1.6 million from US\$85.8 million in the previous financial year ("FY2024"). Group expenses were lowered over the year in review to US\$15.8 million (from US\$18.5 million in FY2024) with distribution expenses at US\$2.0 million and administration expenses at US\$13.9 million. Overall, the Group registered a net loss of US\$2.9 million for FY2025, as compared to a net loss of US\$5.0 million for FY2024.

Its core segment, the LCD Backlight Units ("BLUs") segment, saw revenue decline by 6.5% from US\$42.0 million in FY2024 to US\$39.3 million in FY2025. This made it the second largest segmental contributor to Group revenue for the year in review, behind the OEM and Accessories segment.



In terms of production volume changes over the year in review, shipments of Vehicle Information Display ("VID") units declined by approximately 5.0%, while tablet & notebook computer panel shipments decreased by approximately 27.4%. Consequently, total BLUs shipments declined by approximately 5.3% compared with the previous corresponding period of FY2024.

The Group's performance was also impacted by its principal customer's change of strategy. It is undergoing a display device business transformation to focus on high growth, high profit products, including vehicle information display units and virtual reality devices.

With this change, going forward, the Group will focus on large-sized vehicle display units as demand for small-sized panels declines.

The OEM ("Original Equipment Manufacturing") and Accessories segment had a strong performance over the year with sales boosted by US\$8.1 million from US\$32.9 million in FY2024 to US\$40.9 million in FY2025.

In FY2025, the OEM business mainly focused on the production of large-sized commercial POS machines, which have higher sales value but lower margin contribution.

Within this segment, the OEM sub-segment revenue increased by US\$5.7 million from US\$28.8 million in FY2024 to US\$34.6 million in FY2025.

LETTER TO SHAREHOLDERS

However, the LCD Parts and Precision Accessories business, another sub-segment of the OEM and Accessories business, recorded an ORBIT (Operating results before interest income and income taxes and other unallocated items) loss of US\$73,000 (FY2024: loss of US\$ 1.2 million) during the period.

In the Office Automation (“OA”) segment, revenue booked was US\$4.6 million, a 45.0% or US\$3.8 million decrease as compared to FY2024.

The OA segment management has been negotiating with a key customer to review the low profit product portfolio and conduct price review. Post negotiation, the OA segment management has decided to withdraw from contracts to provide further OA product manufacturing services to the key customer and related companies from mid-2025 onwards.

Following from this, the OA business turnover is expected to reduce. The Group is working with the OA segment management team and planning for a transition to the production of new products.

The Others segment comprises the Group’s Food and Beverage business as well as its Life Science business. Revenue of US\$2.5 million was generated from this segment for the year (FY2024: US\$2.5 million). During the period under review, the Group’s Biotech business research projects were still at the development stage, and the revenue of the segment was mainly contributed by the sales of the antioxidant water system and pontoon boats.

BUSINESS OUTLOOK 2026

Looking forward, our operating environment in the year ahead will be challenging. Indeed, as of March 2026, the challenges and volatility will be more pronounced with the war involving Iran, the US and Israel impacting the rest of the Middle East and the world, fuelling rising oil and gas prices.

In addition, we see evolving trade policies, tariff measures, and other geopolitical tensions. Policy shifts associated with themes such as “America First”, continued U.S.–China trade frictions, the emergence of new trade blocs, and broader supply chain reconfigurations continue to raise the level of complexity, and this has impacted traditional manufacturing supply chains in terms of investment decisions, customer sourcing, and cross-border industrial activities.

We note that when the U.S.–China trade frictions first started, many manufacturers in mainland China began to deploy capacity in Southeast Asia, adopting a “China+1” strategy. Our Group also adopted a similar strategy.

However, for many, the development of efficient supply chains outside of China has lagged or been disrupted, with many raw materials like rare earth minerals and critical components still dependent on procurement from China. After several years of adjustment, manufacturers have generally adopted a dual-capacity strategy, where capacity in China serves Chinese customers, and capacity in Southeast Asia and elsewhere serves overseas customers.

Diversifying Production Sites

With these developments in mind, the Group intends to continue to maintain its primary production base in China, and balance this with strategic expansions of its geographical footprint for diversification.

Under this diversification strategy, the Group established an OEM plant in the Philippines in 2019. Following disruptions caused by Taal volcano eruption and a period of suspended operation associated with the Covid-19 pandemic, the facility resumed operations in 2024 to restore regional production capacity.

However, the pace of operational scaling and capacity optimisation has progressed more gradually than initially anticipated. Management continues to evaluate production efficiency, cost structures, and customer demand patterns associated with the Philippines facility, taking into consideration prevailing market conditions and customer qualification cycles.

The Group also established a presence in Thailand in 2021 for the OEM production of mobile payment devices. The Group is in the process of upgrading its Thailand office into a stand-alone legal entity and expanding the local plant to further pursue orders for OEM and backlight products.

LETTER TO SHAREHOLDERS

Strategic Positioning

With heightened competition from China and Korea-based manufacturers, the Group has made a strategic choice to serve the high-end market distinguished by product segments with higher technical requirements, qualification barriers, or specialised manufacturing capabilities.

We believe we are well-positioned to do that and will leverage on our timely and responsive customer service, precision technologies with roots in Japan, rigorous craftsmanship, and high product quality, together with our development and introduction of innovative products.

We will remain focused on serving electronic manufacturers globally, in order to maintain and regain the Group's market share.

Diversifying Product Portfolio

For the year ahead, in addition to our established businesses in office equipment, backlight products, and OEM manufacturing, which has earned strong customer recognition and become a key profit driver in recent years, the Group will continue to actively explore opportunities beyond current product lines. We are committed to developing new products tailored for our existing customers while also pursuing opportunities to expand our customer base and broaden our market reach.

Diversified Business Model

Since its establishment, the Group has built a strong foundation in the manufacturing industry. We will continue to develop our base in this area, building on our knowledge, experience and networks.

In recent years, we have broadened our business portfolio by venturing into health and environment related sectors, reflecting our commitment to sustainable growth and long-term value creation.

These new ventures complement our traditional manufacturing operations, lower Group-wide business risk and demonstrate our continued capability to diversify, innovate, and deliver future returns for our shareholders.

BUSINESS SEGMENT OUTLOOK

BLUs Segment

Over FY2025, trade friction, tariff measures and the competitive dynamics within the electronics and automotive sectors have continued to influence customer procurement and production planning. In addition, industry-wide supply chain disruptions such as semiconductor-related constraints and isolated supplier incidents reported across the sector have resulted in periodic production scheduling adjustments among certain customers.

We anticipate these economic conditions and operating risks will continue to impact our BLUs segment going into the new year.

One of our two major U.S. automotive end customers has completed the removal of China-based manufacturing from its supply chain, leading to a drop in our order volumes. To meet the production requirements of customers selling into the U.S. market, the Group has reserved production space at its Thailand plant to set up a backlight production line. We are also currently in discussions regarding new production opportunities.

The Group's BLUs business has been primarily producing legacy models carried over from past years with no notable new models introduced in recent years. Together with evolving customer demand and competitive pricing dynamics, both sales volumes and gross margins have remained under pressure.

Nonetheless, we remain determined and actively seek new opportunities. Since mid-FY2025, we have been promoting a new backlight product with a Japanese backlight-technology consulting firm. It has attracted interest from a major Chinese contract manufacturer, several European automakers and Korean in-vehicle display makers. Discussions with these potential customers are still underway.

Based on current development and customer qualification timelines, newly secured products are expected to enter mass production progressively from 2027.

LETTER TO SHAREHOLDERS

In the laptop market, visibility remains limited due to ongoing inventory destocking. With market inventory estimated to last another 9 to 12 months, orders for laptop display backlight modules are expected to remain sluggish.

OEM and Accessories segment

The Group's OEM business primarily provides contract manufacturing services for mobile payment devices to a leading U.S. payment service provider.

Due to our customer's outlook on the U.S. retail market, demand for high-end mobile payment devices is expected to decline significantly, with market demand shifting toward mid-range models.

In this segment, challenges include evolving expectations. Customers expect their OEM partners to evolve from traditional contract manufacturing to offering integrated supply chain management plus engineering capabilities, blurring the boundary between OEM and ODM (Original Design Manufacturing).

Capital strength, internal controls, and compliance capability are emerging as critical competitive barriers. Most importantly, OEM manufacturers without an overseas footprint are easily excluded from approved vendor lists for new projects and may only be eligible for end of life cycle product models.

To manage such developments, we aim to strengthen the Group's production design and engineering capabilities. We will also continue to expand our overseas manufacturing footprint, such as our Thai manufacturing facility in 2026, and enhance capacity utilisation at our Philippines factory and our SMT capabilities. On top of this, we will seek to expand our customer base.

Office Automation ("OA") Segment

As mentioned earlier, we have negotiated and withdrawn from contracts in this area since mid-FY2025. To address idle capacity here, the Group is working with OA management to implement changes.

The immediate goal is to provide production services to other companies within the Group. At the same time, the Group is reviewing and upgrading production equipment to improve efficiency for certain products, while seeking new customers and products utilising existing capabilities. Currently, new product prototyping is underway for potential customers in Japan and China.

Others Segment

Life Sciences Business

In this area, the major biotech research studies remain at the research and development stage, with expected avenues for further commercial development. The management team is working with a South Korean company in a joint Research and Development project to study applying CDW's patented LANFA technology ("LANFA") to Lipid Nanoparticle ("LNP").

This is to develop an innovative LNP technology for mRNA vaccine productions to help reduce hypersensitivity and allergic reactions in the human body. Further laboratory mice tests are scheduled for different modified experimental conditions in order to optimise the development of LNP-LANFA.

The Group is collaborating closely with the management team to explore external funding to continue their LNP-LANFA project research, including the exploration of preclinical-stage venture capital. The Group will announce further developments regarding this project in due course.

For the anti-Cripto-1 antibody, we have modified the gene sequence to enhance the efficacy of the antibody for a broader range of cancer cells. This has successfully increased the antibody affinity to the cancer cells by tenfold.

We are researching how to enhance that affinity by another tenfold to further boost its efficacy and effectiveness. The management team is also conducting research to enhance the diversity of its proprietary antibody library. The goal is to provide researchers with a more diverse range of antibodies, creating the increased likelihood of discovering valuable antibodies that can effectively target specific antigens, both under regular conditions and in critical situations, such as global pandemics.

LETTER TO SHAREHOLDERS

Environment and Others Businesses

We have made progress in the electric boat sector, establishing a sales network for pontoon boats with options of either electric or non-electric propulsion systems. Our Japan subsidiary is currently promoting these systems in Japan, targeting boat tour operators in Tokyo and Osaka.

CONCLUSION

Financial Year 2025 has been challenging but we have demonstrated our resilience, remaining determined and agile, exploring new business avenues and building on our foundations. I am confident as we enter the new year, our collective corporate strengths will enable us to effectively manage the challenges ahead.

Financially, we note that despite three consecutive years of losses and a decrease in net assets to US\$38.3 million, the Group's net current assets have remained stable at approximately US\$25.3 million, total cash and bank balances (including pledged deposits) of US\$24.9 million. This is due to the Group's cash management, low gearing ratio over this period, and a positive relationship with the Group's primary financial institutions. Accordingly, the Group does not believe there are any going concern issues.

After careful consideration of the Group's financial performance, liquidity position and foreseeable operational and investment requirements, the Board has resolved not to recommend a final dividend for FY2025. While the Group paid an interim dividend of US\$0.4 cents per share during FY2025, the Board believes that retaining additional cash at this stage is in the best interests of the Company and its shareholders, given the continued volatility of the external operating environment and the fact that the Group recorded consecutive years of losses, notwithstanding the improvement in results in FY2025.

Key factors underpinning this decision include:

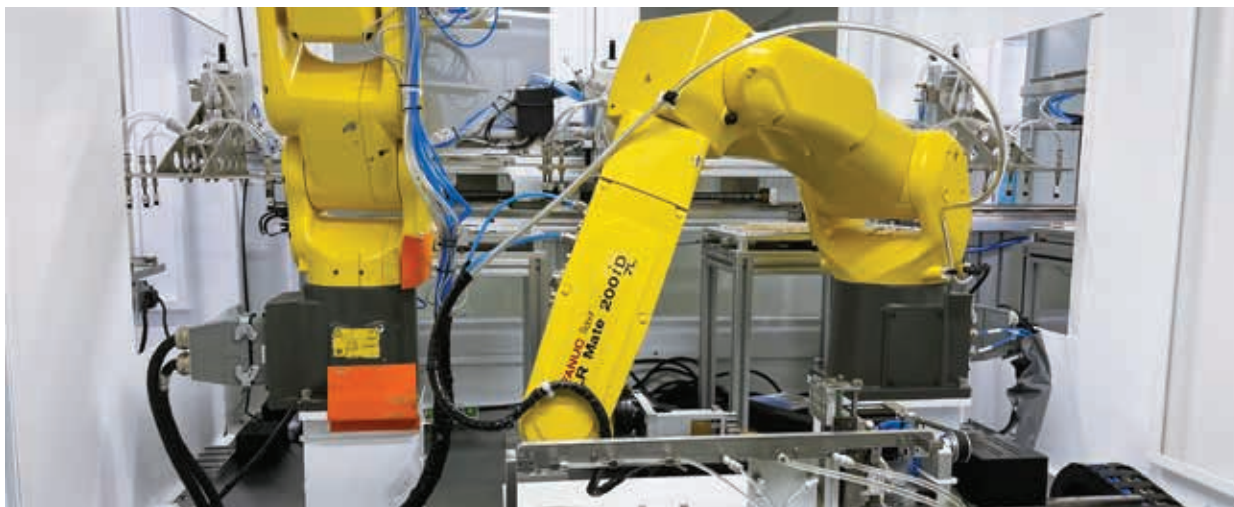
- Earnings considerations: The Group recorded a loss after tax of US\$2.9 million in FY2025 (FY2024: loss of US\$5.0 million). The Board considers it prudent to refrain from a final dividend until profitability is restored on a sustainable basis.
- Liquidity and balance sheet strength: Conserving cash enhances the Group's ability to manage working capital requirements, service borrowings, and withstand demand fluctuations, while maintaining sufficient financial flexibility.
- Strategic investment needs: Retained funds will support selective investments in capacity diversification, including overseas production initiatives and equipment upgrades, to meet customers' multi-origin sourcing requirements and strengthen long-term competitiveness.
- Capital management discipline: The Board will continue to review the dividend policy with reference to earnings performance, cash flows, capital expenditure needs and prevailing market conditions, with the objective of resuming dividend distributions when appropriate.

On behalf of the Board, I would like to express our sincere appreciation to our customers, suppliers and business partners for their continued trust, and to our employees across China, Hong Kong S.A.R, Japan, South Korea, the Philippines and Thailand for their dedication and professionalism. We also thank our shareholders for their continued support and understanding as we navigate this period of transition and position CDW for sustainable long-term growth.

Yours sincerely,

KATO Tomonori
Chairman and Chief Executive Officer
8 April 2026

FINANCIAL AND OPERATIONS REVIEW



STATEMENT OF PROFIT AND LOSS

The Group's turnover for the financial year ended 31 December 2025 ("FY2025") amounted to US\$87.4 million, which was a slight increase of 1.8% or US\$1.6 million from US\$85.8 million in the previous financial year ("FY2024").

Demand remained soft for the Group's products. This was due to the ongoing US-China trade tensions, including the "China Plus One" phenomenon where manufacturers are increasingly relocating productions to alternative sites outside of China.

Gross profit for FY2025 declined by 2.7% or US\$0.4 million to US\$13.2 million (FY2024: US\$13.6 million). Other income was US\$0.5 million for FY2025 compared to US\$0.6 million for FY2024. The change was mainly due to lower interest income of US\$0.1 million.

Meanwhile, Group expenses decreased over the year to US\$15.8 million, with distribution expenses at US\$2.0 million (FY2024: US\$2.0 million), and administrative expenses at US\$13.9 million as compared to US\$16.5 million in the previous year. The distribution expenses were mainly freight and storage costs, and packing materials used during the period under review. The decrease in administrative expenses during the year was mainly due to a reduction in staff costs, travel expenses, legal and professional fees, and exchange losses incurred during the period.

Finance costs remained at US\$0.34 million compared to US\$0.33 million in FY2024. The Group had bank borrowings totaling US\$5.8 million, of which US\$4.0 million was restructured as long-term borrowing.

Income tax expense for FY2025 increased by US\$0.16 million to US\$0.35 million as compared to US\$0.19 million for FY2024. The tax credits from the loss-making subsidiaries were insufficient to fully offset the income tax payable from the profit-making subsidiaries, which contributed to the net income tax expense position. Other tax expenses during the year include withholding taxes.

As a result of the above, the Group recorded a loss before income tax of US\$2.5 million for FY2025 as compared to a loss of US\$4.8 million for FY2024 and registered a loss after income tax of US\$2.9 million for FY2025 (FY2024: loss after income tax of US\$5.0 million). On a per share basis, the Group saw loss per share of 1.17 US cents in FY2025, as compared to loss per share of 1.96 US cents for FY2024.

BLUs Segment

The LCD Backlight Units segment's revenue declined by 6.5% from US\$42.0 million in FY2024 to US\$39.3 million in FY2025.

FINANCIAL AND OPERATIONS REVIEW

The segment's ORBIT increased by US\$0.9 million from a marginal profit of US\$0.2 million to an operating profit of US\$1.1 million. The improvement was largely due to cost control, despite a slowdown in demand for the Group's Vehicle Information Display ("VID") products from the Group's customers.

This segment was also impacted by its principal customer undergoing a transformation phase in its display device business. It intends to focus on high-growth, high-profit products, including vehicle information display units and virtual reality devices.

This shift has resulted in the composition of products sold by the Group to mainly comprise large-sized vehicle display units whilst the demand for small-sized panels has declined.

OA Segment

Revenue from the OA segment was US\$4.6 million, which was a 45.0% or US\$3.8 million decrease as compared to FY2024. There was also an ORBIT loss of US\$1.2 million in FY2025 as compared to a loss of US\$1.5 million in the previous financial year.

Since last year, the segment management has been negotiating with a key customer to review the low profit product portfolio and conduct a price review.

Following the outcome of the negotiation, the OA segment management have decided to withdraw from contracts to provide further OA product manufacturing services to the key customer and related companies from mid-2025 onwards. Following its withdrawal from the service, the OA business has reduced significantly.

Moving forward, the Group is working with the OA segment management team and planning a transition to the production of new products. During the transition period, the OA production resources will provide production services for inter-group companies. Following the withdrawal of services for the key customer, if the OA segment business continues to decline, the consolidation of the OA business into the 'Others' business segment shall be reviewed.



FINANCIAL AND OPERATIONS REVIEW

OEM and Accessories Segment

The sales for the OEM and Accessories segment increased by US\$8.1 million from US\$32.9 million in FY2024 to US\$40.9 million in FY2025. Overall, the segment recorded an ORBIT profit of US\$1.5 million for FY2025 as compared to US\$0.7 million profit in FY2024.

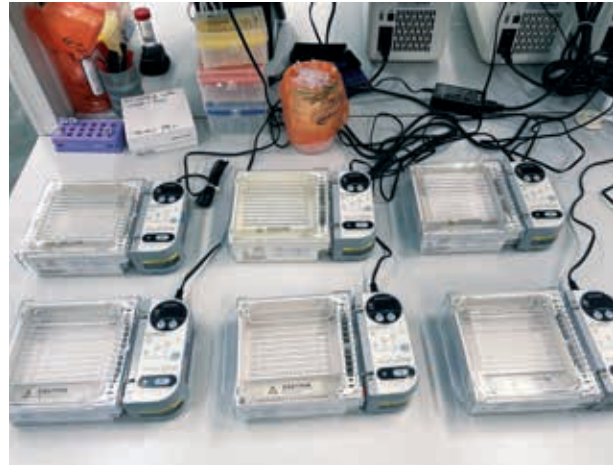
The OEM business itself generated higher revenue of US\$5.8 million from US\$28.8 million in FY2024 to US\$34.6 million in FY2025. The OEM business contributed US\$1.5 million ORBIT profit in FY2025 and US\$1.9 million in FY2024.

Over the year in review FY2025, the OEM business mainly focused on the production of large-sized commercial POS machines, which have higher sales value but lower margin contribution. However, the LCD Parts and Precision Accessories business, a sub-segment of the OEM and Accessories business, recorded an ORBIT loss of US\$73,000 (FY2024: loss of US\$1.1 million) during the period.

Others Segment

The Others segment comprises the Group's Food and Beverage business as well as its Life Science business. Revenue of US\$2.5 million was generated from this segment for the year (FY2024: US\$2.5 million). During the period under review, the Group's Biotech business research projects were still at the development stage, and the revenue of the segment was mainly contributed by sales of the antioxidant water system and pontoon boats.

The segment incurred expenses related to staff costs, research and development expenses and exchange losses, which arose as a result of the South Korean Won depreciating against the US Dollar. For FY2025, the segment recorded an ORBIT loss of US\$1.7 million, which is lower than FY2024 loss of US\$2.2 million.



STATEMENT OF FINANCIAL POSITION

The consolidated total assets and liabilities were US\$68.2 million and US\$29.8 million respectively, as compared to US\$84.2 million and US\$40.7 million recorded as at 31 December 2024.

Current assets amounted to US\$49.9 million, a decrease of US\$14.6 million or 22.6%, as compared to US\$64.5 million as at 31 December 2024. As at 31 December 2025, Cash and bank balances together with pledged bank deposits remained at US\$24.9 million, compared to US\$27.1 million recorded as at 31 December 2024.

Inventory levels decreased by 56.0% to US\$9.4 million as at 31 December 2025, as compared to US\$21.3 million at 31 December 2024, partially due to fulfillment of OEM customer orders in the first half of 2025. Trade receivables were maintained at US\$13.3 million at 31 December 2025 as compared to US\$13.2 million at 31 December 2024, with the debtor turnover days of approximately 56 days as at the end of 2025.

The Group did not change its credit term of between 60 days to 90 days to customers. However, in order to improve cash flows, the Group offered incentives to customers who paid before the due date. Other receivables and prepayments of US\$2.2 million (31 December 2024: US\$3.0 million) were mainly advance payments to suppliers, utility deposits, advances to staff, prepaid expenses, prepaid tax, and VAT recoverable.

FINANCIAL AND OPERATIONS REVIEW

Total consolidated non-current assets recorded a total of US\$18.3 million at 31 December 2025, as compared to US\$19.7 million as at 31 December 2024. Investments comprised of investments in quoted shares of SHARP Inc. and investment in equity shares of a Korean company, Electrine Inc. There was a fair value loss on investments in respect of Electrine amounting to US\$0.4 million which was recognised in other comprehensive income during the year.

Meanwhile, Investment in associate comprised the acquisition of a 25% equity interest in Suzhou Pengfu Photoelectric Technology Company Limited. The investment has been fully impaired in prior years due to minimal recoverable amount for Suzhou Pengfu after consecutive years of losses made since incorporation. The goodwill of US\$12.1 million arose from the acquisition of ABio in FY2022, which was attributable to the anticipated future economic benefits arising from the acquisition. These are not individually identified and separately recognised.

Other intangible assets mainly consist of the value of In-Process Research & Development, held by ABio, which was consolidated into the Group.

Property, plant and equipment amounted to US\$3.6 million as at 31 December 2025 (31 December 2024: US\$3.6 million) which includes the new addition of US\$0.9 million of plant and machinery, US\$0.1 million of leasehold improvement, and US\$0.1 million of other assets. This was netted off against the depreciation charge of US\$0.9 million and disposal of assets with a net book value of US\$0.2 million. There was depreciation of right-of-use assets amounting to US\$1.6 million, and the addition and modifications of right-of-use assets amounting to US\$0.9 million, which led to the consolidated right-of-use assets changing to US\$1.7 million (US\$2.4 million as at 31 December 2024).

Total liabilities decreased to US\$29.8 million as compared to US\$40.7 million as at 31 December 2024. In relation to the right-of-use assets as mentioned above, lease liabilities amounted to US\$1.8 million (31 December 2024: US\$2.5 million), of which US\$1.0 million was payable within one year and was classified under current



liabilities (31 December 2024: US\$1.3 million). The decrease in lease liabilities represented the repayment of lease liabilities amounting to US\$1.6 million (FY2024: US\$1.5 million), and new leases together with lease modifications during the year amounting to US\$0.9 million (FY2024: US\$1.8 million).

Over the year in review, the Group drawdown bank borrowings amounting to US\$11.2 million, while settling bank borrowings amounting to US\$11.3 million with a net repayment of US\$0.1 million during FY2025. Total outstanding bank borrowings was US\$5.8 million (31 December 2024: US\$5.9 million) of which US\$1.8 million is payable within one year (31 December 2024: US\$5.9 million).

Trade payables were reduced by US\$5.1 million to US\$12.6 million (31 December 2024: US\$17.6 million). There was no material change in the credit terms offered by the Group's suppliers and the settlement was done in accordance with the agreed credit terms. The decrease in trade payables was in line with the Group's performance at year-end.

Other payables and accruals, mainly comprising accruals for expenses, wages payable, VAT payable, accrual cost for business operations, and deposits from customers, decreased to US\$8.9 million (US\$13.3 million as at 31 December 2024).

Income tax payable was provided and adjusted under the tax rules of different jurisdictions. The income tax balance position of the Group at the end of FY2025 was tax recoverable of US\$0.1 million (31 December 2024: income tax payable of US\$0.1 million).

FINANCIAL AND OPERATIONS REVIEW

Included in the non-current liabilities were retirement benefit obligations which reduced from US\$0.6 million at 31 December 2024 to US\$0.2 million at 31 December 2025, following the retirement of directors of the Japan subsidiary.

Deferred tax liabilities related to the withholding tax on dividends from the profit-making subsidiaries in China, maintained at similar position as last year end.

STATEMENT OF CASH FLOWS

During the year under review, the Group generated operating cash flows of US\$2.9 million, 49.7% lower than the previous year (FY2024: US\$5.8 million).

Net cash generated from operating activities amounted to US\$2.1 million (FY2024: US\$5.3 million). The net cash from operating activities was mainly attributable to the realisation of cash tied up in the inventories, and the proceeds used to settle the trade and other payables. During the

year, the Group paid income tax amounting to US\$0.6 million (FY2024: US\$0.3 million).

For investing activities, there was a net cash outflow of US\$2.4 million (FY2024: outflow of US\$0.4 million) over the year under review, mainly attributable to the purchase of property, plant and equipment.

For financing activities, there was a net cash outflow of US\$4.0 million during the year under review (FY2024: outflow of US\$5.5 million). The financing activities mainly comprised the net repayment of bank borrowings amounting to US\$0.1 million during the year under review (FY2024: US\$1.6 million). During FY2025, the Group did not purchase any shares under Shares Purchase Mandate, and repaid lease liabilities amounting to US\$1.7 million (FY2024: US\$1.6 million). In addition, the Group paid dividends to shareholders of US\$2.3 million in FY2025 (FY2024: US\$2.3 million).

KEY FINANCIAL DATA

US\$m	FY2025	FY2024	FY2023	FY2022	FY2021
Total assets	68.2	84.2	96.0	117.5	108.8
Total liabilities	29.8	40.7	42.6	58.9	58.1
Current assets	49.9	64.5	72.8	93.1	96.7
Current liabilities	24.7	38.6	39.7	54.3	53.9
Shareholders' equity	39.9	44.9	54.7	59.5	50.7
Revenue	87.4	85.8	109.2	148.0	143.2
(Loss)/profit before tax	(2.5)	(4.8)	(1.0)	16.1	4.0
(Loss)/profit after tax	(2.9)	(5.0)	(1.4)	14.2	2.4
(Loss)/earnings per share (US cents)	(1.17)	(1.96)	(0.48)	6.43	1.06

FINANCIAL AND OPERATIONS REVIEW

KEY OPERATIONAL INFORMATION/DATA

LCD Backlight Units Operating Subsidiaries

(TM Hong Kong, CD Shanghai, and TM Japan)

US\$m	FY2025	FY2024	FY2023	FY2022	FY2021
Revenue (US\$m)	39.3	42.0	70.9	96.1	95.4
EBIT (US\$m)	1.1	0.2	2.8	7.3	5.5
Gross floor area (sqm)	7,620	7,620	7,620	7,620	7,620
Clean room area (sqm)	4,120	4,120	4,120	4,120	4,120
Number of staff	77	80	80	84	87
Number of workers	252	273	326	454	572
Production capacity (units/mth)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

(Figures are based on December of each year)

OEM and Accessories Operating Subsidiaries

(TM Hong Kong, TM Dongguan, TM Japan and TM Philippines)

US\$m	FY2025	FY2024	FY2023	FY2022	FY2021
Revenue (US\$m)	40.9	32.9	29.4	40.5	33.0
EBIT (US\$m)	1.5	0.7	2.2	4.0	2.8
Gross floor area (sqm)	5,043*	4,985	8,752	5,673	5,673
Clean room area (sqm)	1,000	1,000	1,187	2,167	2,167
Number of staff	58	68	69	59	55
Number of workers	48	92	76	181	101

* Addition of storehouse area in TM Philippines.

(Figures are based on December of each year)

Office Automation Operating Subsidiaries

(TM Hong Kong, TM Shanghai, TM Japan and TM Dongguan)

US\$m	FY2025	FY2024	FY2023	FY2022	FY2021
Revenue (US\$m)	4.6	8.4	6.8	10.5	13.9
EBIT (US\$m)	(1.2)	(1.5)	(1.4)	(0.7)	(0.5)
Gross floor area (sqm)	6,576	6,576	6,576	7,236	7,236
Clean room area (sqm)	827	827	827	827	827
Number of staff	62	72	70	87	94
Number of workers	77	128	138	156	168

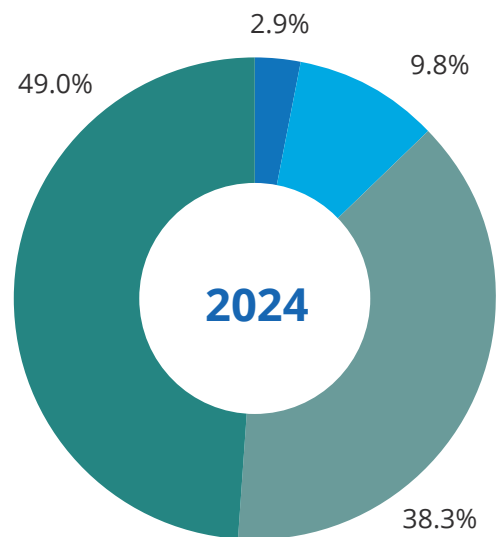
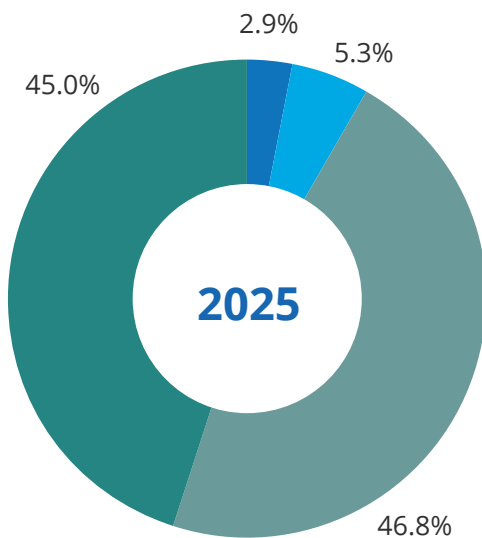
(Figures are based on December of each year)

FINANCIAL AND OPERATIONS REVIEW

SEGMENTAL FINANCIAL HIGHLIGHTS

REVENUE BY BUSINESS SEGMENT

Revenue (US\$m)	FY2025	FY2024	% Change
LCD Backlight Units	39.3	42.0	(6.4)
OEM and Accessories	40.9	32.9	24.3
Office Automation	4.6	8.4	(45.2)
Others	2.5	2.5	0.0



● LCD Backlight Units

● OEM and Accessories

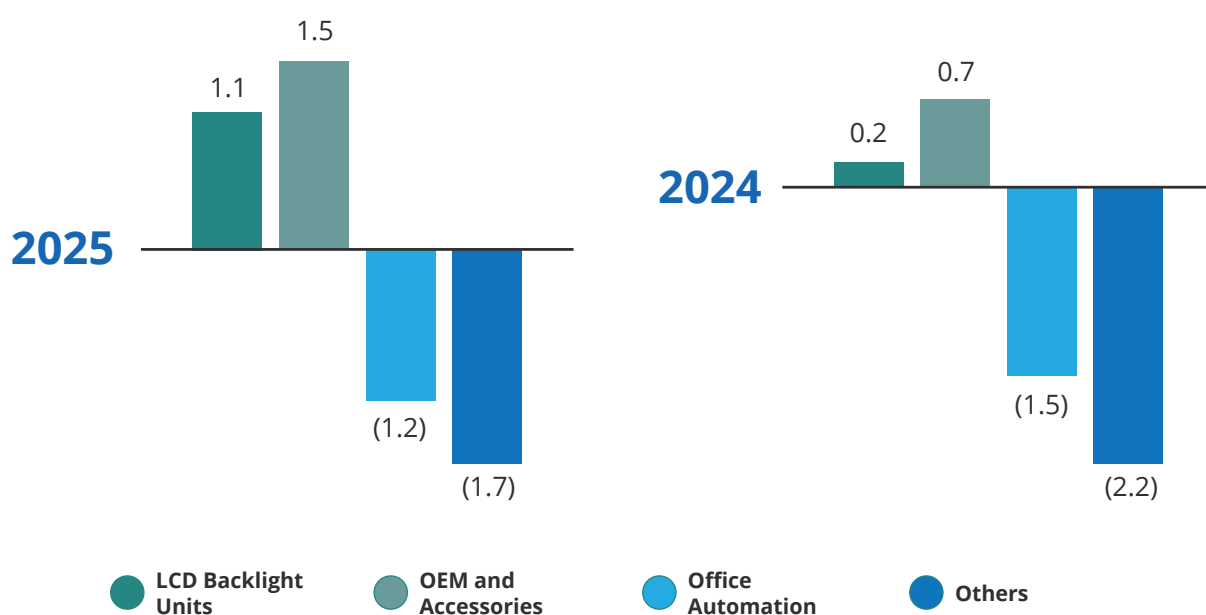
● Office Automation

● Others

FINANCIAL AND OPERATIONS REVIEW

ORBIT BY BUSINESS SEGMENT

ORBIT (US\$m)	FY2025	FY2024	% Change
LCD Backlight Units	1.1	0.2	450.0
OEM and Accessories	1.5	0.7	114.3
Office Automation	(1.2)	(1.5)	(20.0)
Others	(1.7)	(2.2)	(22.7)



LATEST FIVE YEARS DIVIDEND RECORD

(US cents)	FY2025	FY2024	FY2023	FY2022	FY2021
Interim Dividend	0.4	0.3	0.5	0.5	0.5
Special Dividend	0.0	0.2	0.0	0.0	0.0
Final Dividend	0.0	0.4	0.7	0.7	0.7
Total	0.4	0.9	1.2	1.2	1.2

BOARD OF DIRECTORS



KATO Tomonori

Chairman and Chief Executive Officer

(Appointment: 30 April 2018 Last re-election: 29 April 2024)

Mr. Kato was appointed as the Group's Chief Executive Officer on 1 January 2024, and he is responsible for overseeing the overall operations and strategy, planning and development of the Group. He was the Group's Chief Operating Officer since 30 April 2018 and was in charge of the overall operations of the Group, particularly in the sales, marketing and new product development functions in existing core business. He has extensive sales experience in the LCD Backlight business. When Mr. Kato joined TM Japan in March 2003, he was then transferred to CD Shanghai. He was appointed as Legal Representative and director of CD Shanghai in October 2014. Mr. Kato has been an executive officer of TM Japan since February 2017 and acted as a director of TM Japan during the period from May 2018 to December 2021. In April 2021, Mr. Kato was appointed as Chairman of CD Shanghai.

Mr. Kato also oversees the Life Science and Bio related business development of the Group. He has been appointed as a director of TM Bio and ABio since January 2019 and March 2019 respectively.

Present directorship in other listed companies

Nil

Present other principal commitments

Nil



CHEUNG Chi Ming

Executive Director and Chief Financial Officer

(Appointment: 1 October 2022 Last re-election: 29 April 2025)

Mr. Cheung was appointed as an Executive Director and Chief Financial Officer on 1 October 2022. He is responsible for the overall management of the Group's financial and management reporting, budgeting, treasury, internal control, auditing functions and accounting and compliance processes. He joined our Group as Financial Controller on 1 August 2022.

Mr. Cheung holds a Bachelor degree in Accountancy from the Hong Kong Polytechnic University and a Master degree in Corporate Governance from the Hong Kong Polytechnic University. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute. Mr. Cheung is currently an Independent Non-Executive Director of the Chinese People Holdings Company Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock code: 681).

Present directorship in other listed companies

Chinese People Holdings Co., Ltd. (Independent Non-Executive Director)

Present other principal commitments

CM Consultancy Company Limited (Director)
Bennett Management Group Limited (Director)
Guo Fu Enterprises Limited (Director)
Central Mark Hong Kong Investment Limited (Director)
Foshan Nanhai Used Motor Vehicle Trading Center Co., Ltd. (Director)

BOARD OF DIRECTORS



CHIA Seng Hee

*Lead Independent Non-executive Director
(Appointment: 1 December 2019 Last re-election:
29 April 2025)*

Mr. Chia graduated from the National University of Singapore with a degree in Accountancy and from the International University of Japan with a Master of Arts in International Relations. He also completed the General Manager Program at Harvard Business School. After some twenty years in various capacities with Arthur Andersen, Singapore Technologies and the Government of Singapore Investment Corporation, he was appointed Senior Director, Enterprise Singapore (then the International Enterprise Singapore Board) covering China operations from Shanghai, based at the Consulate General of Singapore in Shanghai. Mr. Chia is currently a corporate governance practitioner. He brings to the Group significant experience in corporate governance and risk management. He is a fellow member of the Institute of Singapore Chartered Accountants.

Present directorship in other listed companies

Ying Li International Real Estate Limited (Director)

Present other principal commitments

Jack Capital Pte Ltd (Director and Sole Shareholder)



YAP Tong Teck

*Independent Non-executive Director
(Appointment: 1 November 2023 Last re-election:
29 April 2024)*

Mr. Yap has extensive background in leadership positions within the real estate and precision engineering industries, with a wealth of experience in China, India, Japan, and the United States of America. He served as the Deputy CEO of China-Singapore Suzhou Industrial Park Development Ltd., held the positions of Vice President and Head of Asset Management for Ascendas Singbridge in China, the Director of Investments (South India) for Mapletree Investments Pte Ltd, and worked as Vice President (Asset Management) for Ascott China Fund. He also held positions such as General Manager of Ufreight Singapore Pte Ltd., Director of Corporate Planning and General Affairs at Excel Machine Tools Limited, Head of the Electronics & Industrial Machinery Group at the then Trade Development Board, and Assistant Head, Supporting Industries at the Economic Development Board. Mr. Yap holds a MBA (Investment & Finance) from the University of Hull, a Modular Master in Data Science (Non-Programming) from the Singapore University of Technology and Design and a B. Eng (Control Engineering) from the Tokyo Institute of Technology.

Present directorship in other listed companies

Nil

Present other principal commitments

Crossborder Research Pte Ltd. (Advisor)
Suwa Precision Engineering Pte Ltd. (Director)
Suwa Stamping Tech Pte Ltd. (Director)
Attisse Pte Ltd. (Director)



ENDO Mamoru

Independent Non-executive Director

(Appointment: 1 November 2023 Last re-election: 29 April 2024)

Mr. Endo is an experienced legal professional with a strong regional background. He served as a Legal Consultant with NEXPERT Global Consulting Pte. Ltd., being on secondment from NEXPERT Law Office in Japan. Mr. Endo worked closely with local counsel, providing expert advice on Singapore law compliance matters, data protection law, and the establishment of overseas subsidiaries in countries including India and the UAE. He had previously served as a Consultant at Fair Consulting Singapore Pte. Ltd., where he advised on various aspects of mergers and acquisitions, foreign investments, company restructurings, and equity and debt fund raising in Singapore and Japan. Mr. Endo began his career as an attorney at Atago Toranomom Law Office in Japan and later undertook a secondment at Chadha & Co., an Indian law firm. With a Juris Doctor degree and qualification as a lawyer in Japan, Mr. Endo brings a wealth of expertise to the field of legal consulting, particularly in crossborder transactions and compliance within the Group.

Present directorship in other listed companies

Nil

Present other principal commitments

NEXPERT Law Office (Partner Lawyer)

NEXPERT Global Consulting Pte. Ltd. (Director)

Note:

The Directors do not have any relationship (including immediate family relationships) with any existing Director, existing executive officer, the Company and/ or substantial shareholder of the Company or of any of its principal subsidiaries.

KEY EXECUTIVE OFFICERS



CHAN Kam Wah

Head of Operations in Southern China

Mr. Chan is responsible for the Group's overall operations in Hong Kong, Southern China and South East Asia Countries. He joined the Group in 1999 and has been the legal representative and General Manager of TM Dongguan since September 2016. Mr. Chan was promoted to the position of General Manager of TM Hong Kong in March 2017 and become Director of TM Hong Kong in April 2020. Since the incorporation of TM Philippines in 2019, Mr. Chan has acted as its President Director. He is also the driving force behind the OEM business of the Group and has considerable expertise in sales and marketing.



KONO Isao

Head of Operations in Japan

Mr. Kono is responsible for the overall daily operations of the LCD Backlight Unit Business. He joined the Group in 2002 and was in charge of OA related business for consumer electrical appliance manufacturing in Japan. When transferred to Shanghai in 2007, he was in charge of the LCD Parts and Accessories business of the Eastern China region. After returning to TM Japan in 2012, he was assigned as the Head of LCD Parts and Accessories business and also involved as a key player in the LCD Backlight Unit Business. Mr. Kono is a precious asset of the Group with over 20 years comprehensive experience in our core businesses. He has been appointed as director and Senior Managing Executive Officer of TM Japan in January 2022. During the year 2022, Mr. Kono is assigned as the Head of our Ho Chi Minh City Representative Office, and leading the Vietnam development project. Mr. Kono is also appointed as director of TM Hong Kong in January 2024, and became the sole legal representative of TM Japan since February 2025.

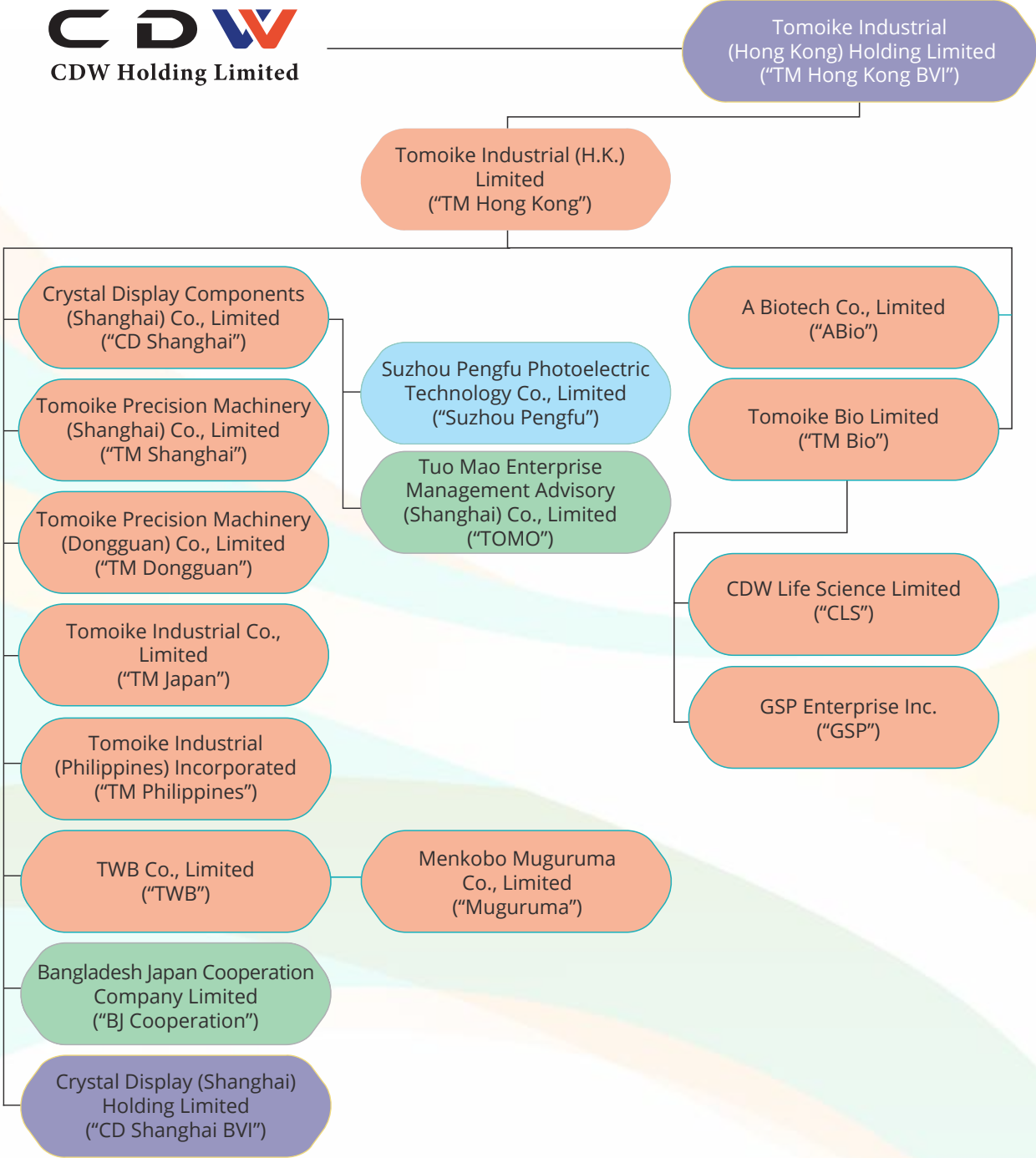


GUI Ling

Head of Backlight Unit Production Business

Mr. Gui oversees the daily operations of the LCD Backlight Unit production business. He joined the Group in 2003 and played a key role in establishing the sales department of CD Shanghai, where he was responsible for developing new customers and customer relationships. With his in-depth knowledge of the company department functions and his experience at CD Shanghai, Mr. Gui was appointed to head the sales department in 2008. In 2014, he was promoted to Deputy General Manager of CD Shanghai, overseeing sales and administrative functions. From 2021 onward, he assisted the General Manager in overseeing the company's operations and was promoted to General Manager in January 2024. Mr. Gui has extensive experience in sales and management of backlight unit productions.

CORPORATE STRUCTURE



- Operating Subsidiaries
- Investment Holding
- Associated Companies
- Dormant Companies

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Reporting Scope and Boundary

The Sustainability Report (the “Report”) presents the sustainability performances and policies of CDW Holding Limited (“CDW” or the “Company”) and its subsidiaries (the “Group” or “We”) for the financial year ended 31 December, 2025 (the “reporting period” or “FY2025”). It addresses Environmental, Social, and Governance (“ESG”) considerations and provides insights into the activities of the Company and the Group. The reporting scope centres on the key business segments of LCD Backlight Units and OEM and Accessories, with a particular focus on the Group’s primary manufacturing facility in Shanghai, operated by Crystal Display Components (Shanghai) Co., Ltd (“CD Shanghai”). As part of CDW’s commitment to transparency and accuracy in reporting, the scope also includes Tomoike Precision Machinery (Dongguan) Co., Limited (“TM Dongguan”) for the third consecutive year. TM Dongguan is engaged in original equipment manufacturing, manufacturing and trading of parts and precision accessories for office equipment, electrical appliances and LCD modules. Additionally, the Report includes the headquarter office in Hong Kong, managed by Tomoike Industrial (H.K.) Limited (“HK Office”). To maintain consistency with previous reports, this sustainability report excludes other manufacturing facilities, locations, or operations that are included in the Group’s financial reporting.

Reporting Cycle

CDW releases its annual sustainability report concurrently with the Group’s Annual Report. CDW has consistently published the Group’s annual sustainability report since the inaugural Sustainability Report in 2017, reflecting the Group’s continuous dedication to sustainability. The reporting period for FY2025 encompasses the Group’s performance from 1 January to 31 December, 2025. In compliance with the Singapore Exchange Securities Trading Limited’s (“SGX-ST”) Listing Rule 711A (“LR 711A”) update, CDW’s sustainability report for 2025 will be made available no later than 4 months after the conclusion of the financial year.

Reporting Standards

In accordance with SGX-ST LR 711A on sustainability reporting, the six primary components outlined in SGX-ST Listing Rule 711B (“LR 711B”) on a “comply or explain” basis, and the Sustainability Reporting Guide provided in Practice Note 7.6 (“PN 7.6”) as set out by the SGX-ST, the Report provides a comprehensive overview of the Group’s sustainability performance.

With the desire to stay at the forefront of the latest industry standards and in accordance with SGX-ST’s “comply or explain” requirements for climate reporting, CDW has enhanced its sustainability reporting structure and incorporated the International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standards issued by the International Sustainability Standards Board (“ISSB”). The Group is currently focused on gathering the necessary data for comprehensive ISSB disclosures, underscoring its commitment to transparent and climate-resilient financial reporting practices.

CDW’s approach to sustainability reporting transcends mere compliance, as the Company actively seeks to align its operations with global best practices. In this regard, the Report has been prepared with reference to the Global Reporting Initiative (“GRI”) reporting Standards 2021, while taking the IFRS Sustainability Disclosure Standard S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) into consideration for the preparedness of new reporting practice in the upcoming reports. Adherence to these globally recognised standards allows CDW to fulfil regulatory requirements while enhancing the credibility and transparency of its sustainability disclosures. CDW has chosen GRI Standards as its sustainability reporting framework for several key reasons:

SUSTAINABILITY REPORT

Wide adoption globally in all sectors and among SGX-listed issuers:

There are over 10,000 GRI reporters in over 100 countries across many different industries for reporters of all organisational sizes. It remains the most common standard that allows easy comparison between our local, regional and global peers. GRI also tops the board in terms of the most adopted sustainability reporting framework by all SGX-ST listed firms.

A highly credible, robust and trustworthy set of common standards:

The GRI Standards have evolved and improved over the years under its Global Sustainability Standards Board and Stakeholder Council since its launch in 1997. The latest revisions are reflected in the GRI Universal Standards 2021. Today, it still remains an independent organisation and its standards are trusted by government agencies, regulators, financial institutions and civil society organisations alike.

Convenient alignment with other international sustainability related standards:

GRI has robust and credible implementation guidelines on how to effortlessly align itself with various standards. GRI is also working closely with the International Sustainability Standards Board ("ISSB"), which intends to harmonise global sustainability disclosures in the near future. ISSB released its first two International Sustainability Board Standards in June 2023. This collaboration and flexibility allow CDW to align with these standards in the future.

The sustainability performance disclosures presented in this report align with the reporting principles established by GRI as follows:



In line with the Group's previous reports, CDW continues to engage professional consultancy services to interact with its stakeholders, consolidate ESG data, and compile the Report. This strategy guarantees the independence, credibility, and transparency of CDW's latest sustainability report. Stakeholders and readers are encouraged to refer to the GRI-SGX-ST Content Index at the end of the Report for a comprehensive overview of the disclosed GRI topics.

External Assurance and Internal Review

The commitment of CDW to demonstrate credibility and accuracy in the Group's sustainability report is reflected in its implementation of robust data collection procedures. While the Group's sustainability report has not yet undergone external assurance, CDW remains dedicated to maintaining a high level of credibility in its disclosures and plans to gradually adopt both external assurance and internal review processes. To support this objective, CDW's Audit and Risk Committee ("ARC"), composed of three independent members, oversees the design and implementation of the company's sustainability policies and practices, addressing material ESG factors relevant to its business. This includes an annual review of the Company's disclosures in its sustainability report and the engagement of an external team of experienced professionals to conduct internal audits of the Group's sustainability reporting in the coming years.

SUSTAINABILITY REPORT

Confirmation and Approval

CDW asserts that policies, practices and data presented in the Report are obtained from official documents and operational statistics derived from various business units. The Board (the “Board”) of Directors (the “Directors”) on 8 April 2026 has endorsed this 2025 Sustainability Report.

Opinion and Feedback

CDW values constructive and meaningful feedback from its stakeholders, considering such input essential for continuous improvement in both its sustainability reporting and overall performance of the Group. If you have any questions or feedback, please reach out to CDW through the provided channels. Your insights are vital in shaping our ongoing commitment to sustainable practices.

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ABOUT CDW

Originated as a modest trading and sourcing company for large Japanese firms in Hong Kong, CDW has evolved into a distinguished specialist in precision components, addressing the needs of the global market by producing and supplying niche precision components. The multi-faceted business activities of CDW can be summarised as follows:



LCD BACKLIGHT UNITS

Manufacturing of LCD backlight units for LCD modules

OFFICE AUTOMATION

Manufacturing and trading of parts and precision accessories for office equipment and electrical appliances

OEM AND ACCESSORIES

The business of original equipment manufacturers and manufacturing and trading of parts and precision accessories for LCD modules

OTHERS

Other business 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

Headquartered in Hong Kong, the Group has operations across Japan, China, South Korea, Hong Kong, Thailand, and the Philippines.

CDW's APPROACH TO SUSTAINABILITY

BOARD STATEMENT

CDW recognise our profound responsibility not only to drive shareholder value but also to contribute meaningfully to environmental stewardship, social well-being, and resilient governance. Our commitment to Environmental, Social, and Governance (ESG) principles is integral to our corporate strategy and long-term success. This year, we have deepened our focus on climate action, enhancing our resilience and aligning our operations with industry best practices and SGX's sustainability reporting requirements.

The escalating climate crisis presents both a significant challenge and an opportunity for innovation. Recognising the growing importance of climate-related risks and opportunities, CDW has begun strengthening its climate risk assessment approach. During FY2025, the Group applied climate scenarios based on the IPCC Shared Socioeconomic Pathways (SSP1-1.9 and SSP5-8.5) to identify potential climate-related physical and transition risks affecting our operations and supply chain.

This qualitative scenario assessment supports management in understanding potential climate impacts and informs the Group's ongoing efforts to integrate climate considerations into enterprise risk management and long-term strategic planning.

In parallel, we continue to explore opportunities to improve environmental performance through initiatives such as energy efficiency, resource conservation and responsible waste management across our operations.

SUSTAINABILITY REPORT

In the meantime, the Report illustrates our unwavering dedication to sustainable practices, showcasing our initiatives and the conscientious strategies that drive our operations. Throughout this reporting period, stakeholder engagement continued to play a crucial role in identifying key material topics which reflects our growing recognition of the significance of adopting sustainable business practices within our operations. The Board is actively engaged in overseeing critical ESG issues, ensuring that we remain responsive to stakeholder concerns and committed to fostering a positive impact on society and the environment.

Our sustainability journey is a continuous one, powered by the dedication of our employees, the partnership of our stakeholders, and the guidance of our Board. We extend our sincere gratitude to everyone who contributes to our shared mission. The Board remains steadfast in its oversight of our ESG strategy, ensuring we not only navigate the present challenges but also shape a more sustainable and prosperous future for generations to come.

KATO Tomonori

Chairman and Chief Executive Officer

CDW Holding Limited

Hong Kong, 8 April 2026

SUSTAINABILITY GOVERNANCE

CDW strives continuously to enhance its sustainability governance capabilities. CDW's directors actively engage in sustainability training on needs basis, ensuring they remain informed and equipped to address emerging challenges. For details, please refer to the Corporate Governance Report. The Board diligently oversees sustainability performance and the management of ESG issues.

The implementation of sustainability initiatives is bolstered by various committees, with comprehensive reporting provided to the Board. The ARC comprising of independent directors, takes charge of overseeing sustainability initiatives at the Group level in FY2025. The Group has set up a sustainability working group covering its subsidiaries to monitor and evaluate the Group's sustainability performance. CDW maintains diversity among working committees in supervising daily execution of sustainability initiatives and ensuring appropriate and effective sustainability risk management is in place and to minimise the risk exposure.



CDW's SUSTAINABILITY GOVERNANCE STRUCTURE

At CD Shanghai, the General Manager collaborates closely with the Environmental Management Working Committee in overseeing environmental impact assessments, risk management, and the execution of sustainability programs. Simultaneously, the management of HK Office regularly engages with the Board to identify and manage ESG issues; and conveys their expectations and requirements to the other subsidiaries, including TM Dongguan. CD Shanghai holds accreditation for various ISO standards, underscoring CDW's unwavering commitment to robust sustainability governance:

**ISO 9001
QUALITY
MANAGEMENT**

**ISO 14001
ENVIRONMENTAL
MANAGEMENT**

**IATF
16949: 2016**

SUSTAINABILITY REPORT

RISK MANAGEMENT

Effective risk management is essential to our business success, and we are committed to continually enhancing our practices across all areas of operation. The Group Risk Management Policy is supported by a resilient Enterprise Risk Management (“ERM”) Framework and Internal Control Systems, encompassing operational, financial, and information technology controls. The management team of CDW consistently oversees, evaluates, and updates the Risk Management Policy to enhance the coverage of operational risks. If you wish to learn more about CDW’s risk management practices, please refer to the CDW Corporate Governance Report for detailed insights.

SUSTAINABILITY RISKS AND OPPORTUNITIES

CDW has identified key sustainability risks and opportunities for the upcoming year, as it has done in the past sustainability reports. The Group’s Risk Management Policy is supported by a resilient ERM Framework. The management of CDW consistently oversees, evaluates, and updates the Risk Management Policy to enhance the coverage of operational risks. If you wish to learn more about CDW’s risk management practices, please refer to the CDW Corporate Governance Report for detailed insights. Additionally, you are encouraged to visit the section on climate-related risks and opportunities in the “Environmental Stewardship” part of the Report for further information.

ASPECT	RISK	OPPORTUNITY AND RESPONSE
CLIMATE CHANGE AND ENERGY TRANSITION	<p>Climate change poses potential physical risks to CDW’s business operations, including rising sea levels and more frequent extreme weather events. Such changes may result in disruptions to production processes and supply chains, affecting both operations and the markets where its products are sold.</p> <p>Aside from physical risks, CDW may also face various transition risks such as technology risks and policy risks. For example, CDW may face technology risks when transitioning to new energy-efficient technologies, as well as policy risks due to new regulations with regard to GHG emissions or climate reporting.</p>	<p>CDW is committed to carefully monitoring and reviewing its emissions and energy consumption. The data collected helps the Group to identify areas that require its attention to implement targeted initiatives to reduce the environmental impact.</p> <p>In addition to reducing its carbon footprint, there are also opportunities for CDW to switch to cleaner and more sustainable sources of energy. This not only contributes to a greener future but also leads to cost savings for the company in the long run.</p> <p>CDW’s climate and energy efforts demonstrate its unwavering commitment to sustainability and its responsibility towards all stakeholders.</p>
RESOURCES AND MATERIALS MANAGEMENT	<p>Poor management of materials can result in environmental harm, such as, deforestation, water pollution, or excessive waste generation. Such practices expose the Group to legal and regulatory risks and pose reputational challenges as stakeholders are increasingly prioritising environmentally responsible practices. Heavy reliance on non-renewable resources may also lead to potential supply chain disruptions due to shortages in non-renewable resources in the future.</p>	<p>CDW continues to ensure strict adherence to local regulations and company-wide resource management protocols. The Group recognises that streamlining resources and material usage can result in cost savings through improved efficiency. Promoting more sustainable materials also contributes to a resilient and responsible supply chain.</p>

SUSTAINABILITY REPORT

ASPECT	RISK	OPPORTUNITY AND RESPONSE
OCCUPATIONAL HEALTH AND SAFETY	At CDW, the safety and well-being of employees have always been the top priority. Poor management of occupational hazards, including the transmission of infectious diseases, can lead to risks that can put the health and productivity of employees in jeopardy. With climate change, extreme weather events and high temperatures pose additional potential threats to the safety and health of CDW's workforce.	CDW remains committed to the rigorous enforcement and clear communication of health and safety policies among all employees, aimed at preventing the occurrence of outbreaks. The Group actively addresses and considers any concerns raised by its employees, and undertakes concerted efforts to promote their overall well-being and health. The focus extends beyond compliance, striving to create a supportive environment that prioritises the health and safety of its workforce.
RESPONSIBLE SUPPLY CHAIN	Neglecting responsible supply chain practices can pose significant risks to CDW. Failing to uphold ethical standards within the supply chain, including issues such as forced labour, environmental harm, and human rights abuses, puts the company at risk of legal repercussions. Failure to address these concerns can lead to legal consequences, tarnish the Group's reputation and erode trust among customers and stakeholders. Therefore, addressing these concerns is crucial to safeguarding the Group's integrity and maintaining positive relationships with stakeholders.	Beyond its own operations, CDW is dedicated to promoting ethical and sustainable practices throughout the Group's supply chain. CDW implements a supplier management system that suppliers unable to fulfill the Group's requirements will be screened out. As consumers increasingly prioritise environmentally conscious choices, CDW recognises that it can position itself as a preferred choice by aligning with sustainable practices. This alignment not only meets consumer expectations but also has the potential to drive heightened consumer trust and loyalty. As a result, CDW could receive positive feedback and be welcomed by customers, as the company aligns with the evolving values and preferences of environmentally conscious consumers.
CORPORATE GOVERNANCE	Non-compliance with regulatory requirements established by the government can lead to significant financial losses or disruptions in CDW's business operations. Additionally, the Group may face reputational damage and legal repercussions stemming from data breaches, which can further exacerbate their challenges.	By fostering a culture of compliance and accountability, CDW can strengthen its relationships with stakeholders, ultimately enhancing trust and collaboration over time. CDW is committed to upholding the Code of Corporate Governance while promoting diversity in its Board composition and governance practices. This commitment includes maintaining consistent communication with shareholders through various channels such as Annual General Meetings ("AGMs"), annual reports, and announcements via SGX-ST. By integrating these practices, the Group aims to enhance transparency, foster stakeholder trust, and long-term partnerships with stakeholders.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

CDW prioritises regular and proactive communication with its stakeholders, valuing their feedback on the Group's performance and initiatives. Stakeholder engagement is essential for gathering insights and understanding their evolving expectations. Building on established practices from previous years, an independent consultancy distributed materiality assessment surveys to both internal and external stakeholders. This approach ensures that stakeholder perspectives are thoughtfully integrated into CDW's strategic decision-making.

KEY STAKEHOLDER GROUP		ENGAGEMENT PLATFORM AND CHANNEL	ENGAGEMENT FREQUENCY
Internal Stakeholders	CDW Board of Directors	<ul style="list-style-type: none"> • Training and development programmes 	Throughout the year
	CDW Senior Management	<ul style="list-style-type: none"> • Annual company events and festival celebrations 	
	CDW Employees	<ul style="list-style-type: none"> • Internal company discussions • Interviews and focus groups • Corporate emails and announcements 	
External Stakeholders	Shareholders	<ul style="list-style-type: none"> • Communication through investor relations team • Announcements and circulars on SGX-ST • AGM, SGM • Annual and interim reports 	Annually or on an as-needed basis
	Investors	<ul style="list-style-type: none"> • Communication through investor relations team • AGM, SGM • Annual and interim reports • Financial results announcements 	Annually or on an as-needed basis
	Customers	<ul style="list-style-type: none"> • Participation in conferences, meetings and discussions • Factory site visits and office meetings • Feedback channels and project briefings 	Throughout the year
	Suppliers	<ul style="list-style-type: none"> • Regular supplier visits and meetings • Procurement process or meetings 	Throughout the year

External Stakeholders	Government	<ul style="list-style-type: none"> Email communication with SGX-ST 	On an as-needed basis
	Regulatory Agencies		
	Academic Institutes	<ul style="list-style-type: none"> Seminars participation 	On an as-needed basis
	Civil Society Groups	<ul style="list-style-type: none"> Press releases Marketing Events 	On an as-needed basis
	Banks/Financial Institutions	<ul style="list-style-type: none"> Annual and interim reports Financial results announcements Meetings with banking representatives 	Annually or on an as-needed basis
	Media	<ul style="list-style-type: none"> PR and marketing promotions Press releases 	On an as-needed basis
	CDW Employees' Families	<ul style="list-style-type: none"> Employee family events Charity events Community surveys 	Throughout the year
	Consulting Professionals	<ul style="list-style-type: none"> Working meetings Seminars and industry conferences 	On an as-needed basis

MATERIALITY REFRESHMENT

CDW defines material topics based on the GRI 2021 Standards' definition-topics that represent the organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights. Aligned with GRI 3: Material Topics 2021's recommended steps for determining material topics, the following details CDW's 4-stage process of determining material topics for the reporting year:

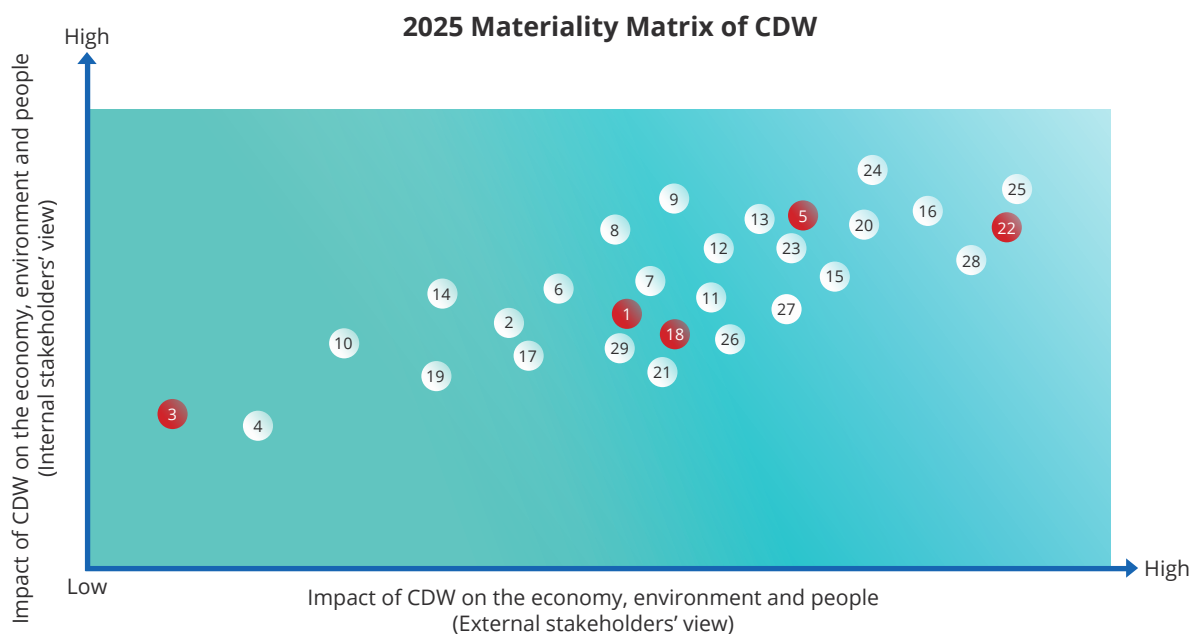
1. IDENTIFY RELEVANT TOPICS	Relevant topics are benchmarked by independent consultants referencing to the SASB Materiality Finder and the MSCI ESG Industry Materiality Map to identify 29 material topics for CDW on FY2025 Sustainability Report.
2. SOLICIT STAKEHOLDER FEEDBACK	External and internal stakeholders are invited to participate in an online survey on sustainability topics to assess actual and potential impacts. A total of 82 valid responses were collected (as compared to 68 in FY2024) in a 2-month survey period.
3. ASSESS AND PRIORITISE MATERIAL TOPICS	Independent consultants analysed the significance of the impacts and developed a materiality matrix through a comprehensive analysis of stakeholder concerns, prioritising 10 material topics to be addressed, with 6 critical topics to focus on.
4. VALIDATE AND ENDORSE MATERIAL TOPICS	The CDW Board of Directors confirmed the material sustainability topics for the reporting year.

Results of the stakeholder engagement were analysed by the independent consultant and served as guidance for the final selection and approval of material topics for FY2025.

SUSTAINABILITY REPORT

MATERIALITY MATRIX ILLUSTRATING STAKEHOLDERS' RESPONSES FROM QUESTIONNAIRES DISTRIBUTED

The materiality assessment is enhanced to take into account financial impacts in addition to the feedback from stakeholders. This facilitates the Group in identifying and prioritising key core issues that are most relevant to the Group's strategic priorities.



	Topics	Critical	Material	Financial Impact ¹	
ECONOMY	1	Economic performance		✓	
	2	Market presence			
	3	Indirect economic impacts		✓	
	4	Procurement practices			
	5	Anti-corruption		✓	✓
	6	Anti-competition			

SUSTAINABILITY REPORT

	Topics	Critical	Material	Financial Impact ¹	
ENVIRONMENT	7	Materials			
	8	Energy			
	9	Water and effluents			
	10	Biodiversity			
	11	Emissions			
	12	Waste			
	13	Supplier environmental assessment		✓	
	14	Climate change mitigation and adaptation*			
SOCIETY	15	Child labour		✓	
	16	Forced or compulsory labour	✓	✓	
	17	Local communities			
	18	Supplier social assessment			✓
	19	Participation in public policy			
	20	Customer health and safety	✓	✓	
	21	Communication with external parties			
	22	Customer data protection and customer privacy	✓	✓	✓
	23	Employment system		✓	
	24	Labour/management relations	✓	✓	
	25	Occupational health and safety	✓	✓	
	26	Training and development			
	27	Diversity and equal opportunity			
	28	Non-discrimination	✓	✓	
	29	Respect for the freedom of association and collective bargaining			

Note:

* Financial impact refers to the level of potential impact that the relevant sustainability topics pose on the Group's financial performance. Based on stakeholder feedback, five key topics were identified by evaluating both the magnitude of their financial significance and their likelihood of occurrence.

¹ CDW Management has identified climate change mitigation and adaptation as a material topic, and has accordingly integrated climate-related considerations into the Group's risk management processes—including the use of IPCC scenarios SSP1-1.9 and SSP5-8.5 to assess physical and transition risks across its supply chain and operations.

SUSTAINABILITY REPORT

FY2025 HIGHLIGHTS



ZERO

cases of non-compliance
to local laws, regulations
or policies



ZERO

cases of workplace
fatalities



ZERO

incidents of
discrimination



ZERO

incidents of forced or
compulsory labour



3,547

total training
hours provided



1,410 tonnes

renewable materials
used



26% decrease

in GHG Emissions Intensity
(per thousand dollars of
income RMB) in FY2025
compared to FY2024



BUSINESS RESPONSIBILITY

OVERVIEW

CDW's unwavering commitment to responsible business practices is fundamental to its identity as a conscientious organisation. The Group is dedicated to implementing rigorous policies that reflect its determination to uphold the highest ethical standards across all facets of its operations. CDW's emphasis on integrity and transparency cultivates trust among its stakeholders and solidifies its position as a leader in corporate responsibility. This steadfast approach not only enhances the Group's reputation but also reinforces its commitment to sustainable and ethical business practices in an ever-evolving marketplace.

ANTI-CORRUPTION (Material)

GRI 205: Anti-corruption 2016

Management Approach

At CDW, the commitment to integrity and ethical conduct in business operations is of utmost importance. The Group recognises that robust anti-corruption measures not only enhance corporate governance but also ensure that decisions align with the best interests of CDW and its employees. Rooted in principles of fair market competition and ethical business practices, CDW is dedicated to safeguarding the industry's reputation and fostering trust among its workforces. The Group understands that unethical behaviour can hinder access to the sector, thereby reinforcing the necessity of maintaining high ethical standards in all endeavours.

The Group is subject to national anti-corruption laws, including the Prevention of Corruption Act 1960 of Singapore. Internally, the Group adopts a stringent approach to combating corruption and bribery, supported by comprehensive risk assessment procedures and Standard Operating Procedures ("SOPs") for investigating any suspected incidents. The Group's commitment to sound corporate governance is reinforced by its adherence to the "Code of Business Conduct" and the "Information Security Policy". CDW actively monitors training initiatives focused on anti-corruption and ethical practices, as well as any reported cases of corruption within the organisation.

To enhance transparency and accountability, CDW has instituted an open-door policy that invites employees to report on any unethical behaviours. The Group applies "Policy and Procedures for Reporting Possible Improprieties in Matters of Financial Reporting or Other Matters" to employees and other parties that have business relations with the Group. It offers designated avenues for stakeholders and employees to voice their concerns about possible improprieties in matters of financial reporting, fraudulent acts and other matters, and ensure that arrangements are in place for independent investigations of such matters and for appropriate follow up actions. CDW's resolute commitment to preventing corruption and unethical practices is communicated through readily available resources, such as the Group Employee Handbook, highlighting the organisation's dedication to ethical conduct at all levels.

SUSTAINABILITY REPORT

FY2025 Performance

PERCENTAGE OF MEMBERS WHO HAVE RECEIVED COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES			
	CD Shanghai	TM Dongguan	HK Office
Members of the Board of Directors	100%	100%	100%
Senior Management	100%	100%	100%
Middle Management	100%	100%	100%
General Staff	100%	100%	100%
Suppliers	100%	100%	100%
Customers	100%	100%	100%
Banks/ professional service providers	100%	100%	100%

At HK Office, new employees participate in anti-corruption training as part of their orientation program. Additionally, managers receive regular updates on anti-corruption measures from the General Manager. No anti-corruption cases reported under the whistleblowing policy in 2025.

SUPPLIER ENVIRONMENTAL ASSESSMENT (Material)

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

Management Approach

CDW maintains a rigorous Supplier Management System to ensure ethical and sustainable integrity across our global value chain. Our management approach integrates strict environmental screening criteria. By embedding these standards into our operations, CDW proactively aligns with the shifting preferences of environmentally conscious consumers. This strategic positioning not only fortifies stakeholder trust and brand loyalty but also serves as a catalyst for market share expansion and long-term revenue growth.

FY2025 Performance

The Group conducts 100% screening of new suppliers in compliance with local legislation. During the Reporting Period, there is a total of 77 suppliers assessed for environmental impacts.

CUSTOMER WELFARE

Customer Health and Safety (Critical & Material)

GRI 416: CUSTOMER HEALTH AND SAFETY 2016

Management Approach

CDW's primary mission is to deliver high-quality and safe technologies worldwide, safeguarding the health and safety of its customers. This commitment is reflected in the feedback from stakeholders, who have identified Customer Health and Safety as a critically important topic in FY2025 surveys. At CD Shanghai, management is devoted to maintaining stringent product quality and safety standards. The facility holds certifications under ISO 9001:2015 and IATF 16949:2016 for its quality management system, and the Group conducts regular risk assessments across all processes. Evaluations of operations and products are performed on a regular basis to ensure compliance with health and safety standards, with the General Manager overseeing all necessary actions. The Group actively solicits suggestions and feedback from stakeholders and employees regarding production processes, with assessment reports regularly shared with departmental heads for ongoing evaluation and improvement. Stakeholders and customers are encouraged to provide feedback or lodge complaints regarding the Group's communication or products via email at mail@cdw-holding.com.hk, as CDW values their input and is committed to continuous enhancement.

FY2025 Performance

The Group consistently conducts reviews of all its product categories to assess health and safety impacts and identify areas for improvement. In FY2025, the Group is pleased to report zero incidents of non-compliance with regulations or voluntary codes related to the health and safety impacts of its products.

Customer Data Protection and Customer Privacy (Critical & Material)

GRI 418: CUSTOMER PRIVACY 2016

Management Approach

The incidence of data breaches has escalated significantly thanks to the swift advancement of technology and the advent of the digital era. Acknowledging stakeholders' concerns regarding customer health and safety, the protection of customer data and privacy has emerged as one of CDW's critical material sustainability issues in FY2025.

Understanding that trust, reliability, and robust business relationships are essential, CDW is resolutely committed to protecting the data of its customers. The Group's Code of Business Conduct delineates CDW's approach to safeguard customer privacy for all employees. To uphold this commitment, CDW has instituted stringent protocols that prohibit employees from disclosing any confidential information, particularly sensitive contractual and procurement details, under any circumstances. This policy is rigorously enforced, and any breaches are promptly addressed with appropriate corrective measures.

CDW's Information Security Policy compiles control measures to protect its information assets from malicious and inadvertent breaches that can result in data compromise, and to implement information security management during the execution of business operations, including compliance with local laws and regulations, employee education on data breach prevention and response protocols, and other provisions. The Policy is strictly enforced by internal IT teams in all business activities and interactions with external stakeholders. The Group has also set up Information Security Committee to oversee the Group's information security.

SUSTAINABILITY REPORT

FY2025 Performance

During the reporting period, CDW has recorded zero substantiated complaints related to breaches of customer privacy. Furthermore, there have been no reported incidents of data leaks, thefts, or losses involving customer information.

RESPONSIBLE EMPLOYER AND INCLUSIVE WORKPLACE



OVERVIEW

CDW has implemented a wide array of employment policies and initiatives focused on enhancing employee well-being and professional development. The Group values diversity and promotes a collaborative environment that supports sustainable long-term growth. CDW is committed to fostering an inclusive culture in which every employee feels supported both personally and professionally. In addition, the Group emphasises continuous learning and career progression, providing resources and training designed to help employees achieve their maximum potential. CDW also prioritises workplace safety, aiming to establish a secure, positive, and rewarding work environment for all team members.

EMPLOYMENT SYSTEM

Employment (Material)

GRI 401: EMPLOYMENT 2016

Management Approach

Acknowledging the critical role of talent retention and development to the business's success, CDW is dedicated to investing in the growth of its workforce. This commitment encompasses the provision of substantive and comprehensive career opportunities, fostering a robust team spirit, and enhancing overall workplace productivity. These efforts intend to instil a strong belief among employees in the potential for long-lasting careers within the Group.

CDW places immense value on being an employer committed to equal opportunities. The recruitment process focuses on assessing candidates based solely on their qualifications and experience, without regard to gender, disability, family status, or race. The objective is to assemble a diverse workforce enriched with varied expertise, experiences, and socio-cultural backgrounds, thereby enhancing CDW's human capital and strengthening the Group's capacity to serve consumer groups across multiple markets.

At CDW, a variety of policies and practices address hiring and employment matters, encompassing aspects such as compensation, benefits, learning and development, as well as diversity and inclusion initiatives. The Human Resources department routinely evaluates the Group's policies and procedures to ensure a comprehensive understanding of its employment needs and to identify skills gaps. Regular engagement with employees and the Board of Directors is undertaken to solicit feedback on the Company's employment and human resources policies and practices.

FY2025 Performance

As of 31 December, 2025, CD Shanghai has a workforce of 305 employees, HK Office has 35 and TM Dongguan has 74. In FY2025, CD Shanghai, HK Office and TM Dongguan had 189, 35 and 40 full-time permanent staff, respectively. Please refer to the "Key ESG Social Figures" on page 65-66 for a more detailed breakdown of the employee numbers.

SUSTAINABILITY REPORT

	FY2024			FY2025		
	CD Shanghai	TM Dongguan	HK Office	CD Shanghai	TM Dongguan	HK Office
New hires (Number of employees)	2	132	6	1	86	4
Turnover (Number of employees)	58	132	12	23	189	9

Labour/Management Relations (Critical & Material)

GRI 402: LABOUR/MANAGEMENT RELATIONS 2016

Management Approach

CDW strives to cultivate a positive and collaborative relationship between employees and management. The Group acknowledges the crucial role of a strong partnership between staff and management in promoting effective teamwork and maximising productivity, forming the foundation for cultivating a skilled and supportive workforce. CDW commits to ensuring equitable treatment for all employees in the workplace and providing accessible channels for expressing concerns and feedback, maintaining regular and effective communication with employees and highly values the feedback received. Within the Group, employees are being offered the option to shift to internal positions or to receive appropriate compensation followed by contract termination. The Employee Handbook explicitly outlines the notice period and provisions for consultation and negotiation for the employees.

FY2025 Performance

In FY2025, CDW receives no negative impacts or complaints concerning its labour and management relations. CD Shanghai enforces a four-week notice protocol, ensuring timely communication to employees and their representatives before the implementation of substantial operational changes that may significantly affect them. In HK Office, a meeting is convened for the explanations of major policy changes, followed by a one-month consultation period before determining the effectiveness of the proposed policy. The total count of employees covered by collective bargaining agreements¹ at CD Shanghai for FY2025 is as follows:

COLLECTIVE BARGAINING AGREEMENTS AT CD SHANGHAI		
	Number	Percentage
Number of employees covered by collective bargaining agreements	212	70%

Note:

¹ Collective bargaining agreement: Collective bargaining refers to all negotiations which take place between one or more employers or employers' organisations, on the one hand, and one or more workers' organisations (trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers. Therefore, a collective bargaining agreement represents a form of joint decision-making concerning the organisation's operations.

SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH AND SAFETY (Critical & Material)

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

Management Approach

The health and safety of personnel, an inherent right of all employees, lies at the heart of CDW's business values. Prevention of workplace accidents and injuries is vital to the Group. CDW's Risk Management Policy outlines a comprehensive framework for protocols related to workplace safety. Both executives and employees are required to adhere to three fundamental principles of risk management, which are:

1



Take necessary initial measures to minimise losses or disadvantages to the company in the event of risks.

2



To report any occurred risk immediately to superiors and follow their instructions for subsequent handling.

3



To take proper pre-emptive measures for possible new risks arising from the existing ones.

Additionally, CDW's occupational health and safety management system incorporates safety training as an essential component. To enhance awareness of occupational health and safety, CD Shanghai arranges quarterly workshops for all employees exposed to workplace hazards. Examples of workshops conducted in FY2025 include employees' occupational health and safety management training.

Simultaneously, the Safety Management Committee in CD Shanghai take charges to oversee occupational safety and conducts regular risk assessments to distinguish and evaluate potential hazards at an early stage. Concurrently, HK Office has implemented measures to provide a secure working environment, including the installation of fire extinguishers and emergency exits as mandated by regulations, alongside regular fire drills and evacuation exercises. All employees and work-related activities are covered by labour insurance as mandated by law. In addition to physical health considerations, CDW places a strong emphasis on employee mental health and work-life balance, recognising their significance in fostering a supportive workplace.

Occupational health and safety management policies, procedures, and incidents undergo periodic reviews by the relevant safety committees, with any areas of concern elevated to the General Manager, then to the ARC, and finally to the Board of Directors. Employees are given the option to report any incidents that have occurred or might occur using incident report forms. These forms are subject to be reviewed by the safety committees, which propose and implement suitable measures to address the situation.

FY2025 Performance

In FY2025, CDW documented 2 recordable work-related injuries or illnesses. There are no high-consequence work-related injuries nor work-related fatalities involving any employees or workers during the reporting period.

WORK-RELATED INJURIES RECORD						
	FY2024			FY2025		
	CD Shanghai	TM Dongguan	HK Office	CD Shanghai	TM Dongguan	HK Office
Fatality cases	0	0	0	0	0	0
Fatality rate (%)	0	0	0	0	0	0
Recordable work-related injuries cases	2	0	0	2	0	0
Recordable work-related injury rate (%)	0.4	0	0	0.5	0	0
High-consequence (excluding fatalities) cases	0	0	0	0	0	0
High-consequence (excluding fatalities) rate (%)	0	0	0	0	0	0

In terms of medical coverage, senior management is offered Overseas Travel Accident Insurance, while other CD Shanghai employees are enrolled in the National Compulsory Social Insurance of the People's Republic of China. Additionally, the Employer's Liability Insurance covered 35 employees in Hong Kong.

PERFORMANCE IN OCCUPATIONAL HEALTH AND SAFETY			
	CD Shanghai	TM Dongguan	HK Office
Number of employees covered by medical insurance	169	39	35
Number of employees covered by other occupational health and safety policies	136	0	35

NATURAL DISASTERS AND SERIOUS ACCIDENTS PROTOCOLS

Some examples of Group's protocols in place in the event of natural disasters and serious accidents include:

1. For natural disasters:

- Conduct regular safety drills to prepare for disasters and ensure that procedures are well communicated to all staff.
- Develop and maintain backup systems and equipment to ensure business continuity and minimise downtime.
- In the event of natural disasters, to implement Emergency Response Plans that prioritise the safety and well-being of employees and stakeholders.
- Establish communication protocols to ensure that all employees and stakeholders are kept informed and up-to-date about the situation.

2. For serious accidents:

- Establish and maintain a strong safety culture that emphasises the importance of preventing accidents and injuries.
- Conduct regular safety audits and risk assessments to identify potential hazards and implement appropriate measures to mitigate them.
- Provide training and education to employees on proper safety procedures and equipment handling.
- Conduct data investigations of accidents and incidents to determine their root causes and implement corrective actions to prevent recurrences.

SUSTAINABILITY REPORT

PROMOTING AN INCLUSIVE WORKPLACE

Diversity and Equal Opportunity

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

Management Approach

Embracing diversity and promoting equal opportunities are intrinsic elements of CDW's corporate identity. The Group holds a strong belief that diversity not only infuses vibrancy and innovation into the workplace but also enriches the organisation through the unique experiences and backgrounds of each employee. As an equal-opportunity employer, CDW has instituted an Equal Opportunity Policy, which is readily accessible to all employees via the Employee Handbook. Senior management routinely engages in structured interactions and private meetings with employees to solicit feedback on workplace diversity and overall satisfaction, thereby reinforcing the Group's commitment to fostering an inclusive environment.

FY2025 Performance

RATIO OF THE BASIC SALARY AND REMUNERATION OF WOMEN TO MEN FOR EACH EMPLOYEE CATEGORY ¹			
Employee Category	CD Shanghai	TM Dongguan	HK Office
Permanent female staff ² versus permanent male staff ³	0.65	0.30	0.35
Temporary/ fixed-term female staff versus temporary/ fixed-term male staff	0.35	0.09	NA ⁴
Senior management female staff versus Senior Management male staff	0.07	0.18	0.09
Middle management female staff versus Middle Management male staff	0.19	0.20	0.37
Entry-level/ General female staff versus Entry-level/ General male staff	0.73	0.22	0.54

Notes:

¹ The ratio is calculated as follows: Average salary of female staff of the employee category / Average salary of male staff of the employee category.

² Average salary of female staff of the employee category = total amount of remuneration of women in Permanent / total number of women in Permanent

³ Average salary of male staff of the employee category = total amount of remuneration of men in Permanent / total number of men in Permanent.

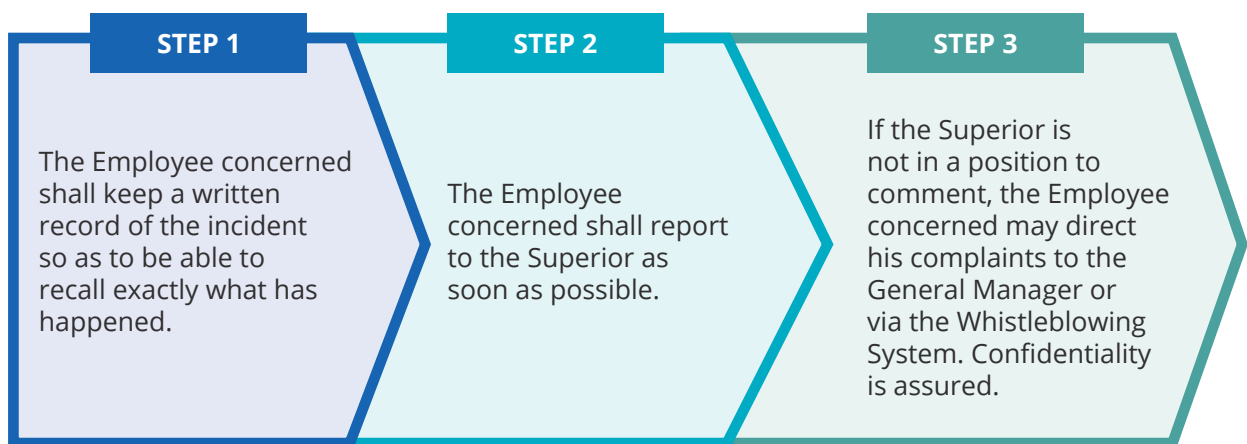
⁴ There are no male and female temporary employees at the HK Office.

Non-Discrimination (Critical & Material)

GRI 406: NON-DISCRIMINATION 2016

Management Approach

In championing equality and diversity, CDW unequivocally prohibits any form of workplace discrimination or harassment. The Group is steadfast in its commitment to fostering an environment that is free from discrimination, harassment, and retaliation. The Employee Handbook contains a dedicated section entitled "Policy against Discrimination and Sexual, Disability, Race and Family Status Harassment." Management conducts regular inspections and thorough reviews of the non-discrimination policy, ensuring that employees are promptly informed of any modifications. In the event of discrimination incidents, employees are directed to adhere to the procedures outlined in the handbook.



FY2025 Performance

During the reporting period, CDW reported no incidents related to non-discrimination, open communication, or non-compliance with working hours as per local laws in Shanghai, Dongguan and Hong Kong.

SUSTAINABILITY REPORT

TRAINING AND DEVELOPMENT

GRI 404: TRAINING AND EDUCATION 2016

Management Approach

CDW recognises the significance of continuously enhancing the skills and capabilities of its existing workforce, alongside the recruitment of new talent. To facilitate the growth of its employees, CDW prioritises the provision of training programs aimed at upskilling its workforce. Committed to nurturing opportunities for career advancement, CDW offers a comprehensive range of professional and personal development initiatives. A diverse selection of training programs is available to employees, encompassing both in-person and remote formats. The Group's Code of Business Conduct encourages management to actively promote employee participation in seminars organised by CDW, thereby fostering the continuous enhancement of their soft skills.

During this reporting period, the Group continues to provide opportunities for employees to further their education by sponsoring relevant courses in CD Shanghai, TM Dongguan and HK Office.

Operation Site	Courses and Trainings Offered in FY2025
CD Shanghai	<ul style="list-style-type: none"> New employee orientation training Trainings on safety production regulations related to ISO9001: 2015/14001: 2015 and RoHS/ IATF16949: 2016 Trainings on precautions for safe production, fire prevention and extinguisher usage Trainings on compliance and maintenance checks Occupational health education and training for workers
TM Dongguan	<ul style="list-style-type: none"> Training on precautions for safe production, fire prevention and extinguisher usage Occupational health education and training for workers
HK Office	<ul style="list-style-type: none"> Language programs to enhance communication between Hong Kong and Japanese colleagues Professional development courses offered by esteemed institutions such as the Singapore Institute of Directors and the Hong Kong Institute of Certified Public Accountants

FY2025 Performance

In FY2025, the Group registered an average of 8.93 training hours. These numbers signify a modest decrease from FY2024, during which the averages recorded were 12.46 training hours.

TRAINING AND EDUCATION				
		CD Shanghai	TM Dongguan	HK Office
Average training hours by gender	Male	7.06 ¹	16.00 ¹	1.50 ¹
	Female	7.77 ¹	16.00 ¹	1.50 ¹
	Male + Female	7.66 ²	16.00 ²	1.50 ²
Average training hours by employee category	Senior Management	3.00 ³	16.00 ³	1.50 ³
	Middle Management	6.00 ³	16.00 ³	1.50 ³
	General Staff	8.00 ³	16.00 ³	1.50 ³

Notes:

¹ Average training hours by gender (Male / Female) is calculated as follows: Total training hours received by employees in the category / Total number of trained employees in the category in FY2025.

² Average training hours by gender (Male and Female employees) is calculated as follows: Total training hours received by Male and Female employees / Total number of trained employees in FY2025.

³ Average training hours by employee category (Senior Management/ Middle Management/ General staff) is calculated as follows: Total training hours received by employees in the employee category / Total number of trained employees in the employee category in FY2025.

STRICT LABOUR EMPLOYMENT MANAGEMENT AND CONTROL

No Child Labour (Material)

GRI 408: CHILD LABOUR 2016

Management Approach

CDW strictly prohibits the employment of child labour across business operations. The Human Resources Department of CDW requires a mandatory submission of candidates' identification documents during the job application process.

FY2025 Performance

As of FY2025, CDW has not experienced any occurrences involving child labour.

NO FORCED OR COMPULSORY LABOUR (Critical & Material)

GRI 409: FORCED OR COMPULSORY LABOUR 2016

Management Approach

CDW is committed to upholding human rights and maintaining business ethics and responsibility in its operations. The Group implements stringent labour management and control measures, prohibiting any instances of child, forced, or compulsory labour. CDW strives to create a productive and equitable working environment for all employees.

To eliminate any potential instances of forced labour, CDW communicates the official working schedule to their respective staff members, ensuring alignment with prevailing labour laws. Any work conducted beyond these stipulated hours is compensated with overtime compensation. The Group consistently monitors and reviews employee working hours to prevent violations, ensuring that any work performed outside standard hours is appropriately compensated in accordance with CDW's policies.

Furthermore, senior management regularly engages in discussions and meetings with individual staff members to solicit feedback relating to labour management and working conditions within the workplace. As needed, proactive measures will be implemented to address any identified issues.

FY2025 Performance

As of FY2025, CDW has not experienced any occurrences involving forced labour.

ENVIRONMENTAL STEWARDSHIP



OVERVIEW

CDW acknowledges the pressing need and urgency to confront climate change and minimise its environmental footprint resulted from the Group's business operations. Highlighted by the Intergovernmental Panel on Climate Change ("IPCC"), there is an urgent need for countries to cut GHG emissions by 42% by 2030 compared to 2019 levels in order to stay on track for limiting global warming to 1.5°C. CDW recognises that addressing climate change is essential for safeguarding the environment, enhancing public health, and fostering sustainable long-term development.

CDW is dedicated to minimising its environmental impact by prioritising emissions and materials as key sustainability issues for the organisation. The Group employs a robust Environmental Management System to ensure responsible resource use, effectively tracking essential environmental indicators across all operations. This proactive strategy demonstrates CDW's commitment to environmental stewardship and aligns with broader initiatives aimed at tackling the global climate crisis.

CLIMATE-RELATED DISCLOSURES

GRI102: CLIMATE CHANGE 2025

Governance

The Board is responsible for overseeing the Group's sustainability approach, ensuring that climate-related matters are integrated into the overall strategy. This includes monitoring progress on sustainability initiatives and addressing significant issues raised by stakeholders. Meanwhile, the Board reviews, evaluates and approves the key sustainability approach, risk management policies and practices, sets targets and measures performance against the targets.

The Sustainability Working Group is responsible to develop objectives, building plans and performance metrics, and managing the overall climate-related sustainability performance. The Sustainability Working Group will also report to and make recommendations to the Board, where appropriate, regarding the material sustainability issues, including but not limited to climate-related matters.

Strategy

CDW is dedicated to incorporating climate-related considerations into our risk management processes to recognise the potential impacts of climate change on our supply chain and overall business operations. To ensure the Group remains resilient and strategically aligned with emerging environmental standards and stakeholder expectations, we are consistently enhancing our understanding and addressing these risks to safeguard our business operations, strategic initiatives, and financial planning against potential climate-related impacts. In order to better determine and analysis the potential physical and transition risks that the Group may face, we utilise climate scenarios SSP1-1.9 and SSP5.8.5 which are the "Share Socio-economic Pathways" from the Intergovernmental Panel on Climate Change ("IPCC"). These pathways represent climate scenarios corresponding to projected increases in global average temperatures. This approach allows us to gain a better understanding of the resilience of our climate strategies and potential impacts on core operations under fluctuations in climate change, thus can further enhancing our ability to address climate change. The Group's climate-related risks primarily arise from the following areas:

CLIMATE RISK SCENARIO		
	LOW RISK SCENARIO SSP 1-1.9	HIGH RISK SCENARIO SSP 5-8.5
Scenario description	<ul style="list-style-type: none"> • Rapid global phase-out of fossil fuels. Net-zero global carbon dioxide emissions by around 2050. Renewable energy becomes dominant, with widespread electrification. • Large-scale afforestation • Rapid development and implementation of low-carbon technologies, including energy storage, hydrogen, and carbon capture and storage. • Extensive global cooperation, stringent and effective climate policies, consumer behaviour shifting towards low-carbon alternatives. 	<ul style="list-style-type: none"> • Reliance on abundant, globally connected fossil fuel resources. • Active technological innovation, but primarily focused on energy extraction and consumption efficiency rather than low-carbon alternatives. • No effective global carbon pricing or stringent international climate agreements. • Global income disparities narrow and investment in human capital increases.
Expected temperature rise	<ul style="list-style-type: none"> • With a temperature rise of less than 2°C in 2100. 	<ul style="list-style-type: none"> • With a temperature rise of 4.4°C in 2100.

CLIMATE-RELATED RISK		
PHYSICAL RISK	DESCRIPTION	RESPONSE
Acute Physical Risk (Short-term) ¹	<ul style="list-style-type: none"> • Intense Rainfall: Increased instances of heavy rainfall have the potential to damage critical components and equipment, adversely affecting power generation efficiency and overall operational performance. • Workload Enhancement: The necessity for preventive measures prior to extreme weather events, coupled with subsequent inspections and clean-up operations, may place an additional burden on employees, increasing their workload and potentially impacting morale. • Safety Incidents: The occurrence of extreme weather poses significant safety risks, elevating the likelihood of incidents that could jeopardise the well-being of employees and surrounding communities. • Rising Insurance Costs: The growing frequency of extreme weather events is anticipated to lead to higher insurance premiums, imposing additional financial strain on the organisation. • Supply Chain Vulnerabilities: Floods and hurricanes present serious threats to warehousing and supply chain management. Disruptions to storage facilities may result in service interruptions and inventory losses, adversely affecting customer satisfaction and operational efficiency. 	<ul style="list-style-type: none"> • Proactively monitor the government emergency management departments for extreme weather warnings and adjust employees' working arrangement and business activities accordingly based on the warning information. • For foreseeable climatic impacts, ensure adequate stockpiling in advance and select raw material suppliers near production sites. Should extreme weather occur, consider altering transport methods or enhancing the waterproofing of transported equipment. • While ensuring proper waterproofing measures are in place, obtain quotes from different insurance companies.

SUSTAINABILITY REPORT

CLIMATE-RELATED RISK		
PHYSICAL RISK	DESCRIPTION	RESPONSE
Chronic Physical Risk (Medium-term to Long-term) ¹	<ul style="list-style-type: none"> • Rising Temperatures: Elevated temperatures can negatively impact component performance, increasing the risk of equipment malfunction that diminishes energy generation efficiency. Additionally, these conditions may raise operational and maintenance costs and create safety hazards, particularly for frontline workers. • Rising Sea Levels: The threat of rising sea levels poses risks to logistics, production processes, and supply chain stability, which could lead to significant business disruptions and financial losses. • Employee Health Risks: Climate change and rising temperatures may expose employees to increased heat stress and health risks, potentially leading to higher absenteeism and negatively affecting overall productivity and workplace well-being. 	<ul style="list-style-type: none"> • Shorten the shift duration and increase the frequency of break times during the hot seasons. • Incorporate climate risks into future site selection to achieve long-term business sustainability. • Enhance waterproofing measures, such as installing waterproof barriers within the factory premises and constructing a waterproof river along the perimeter of the factory site.

CLIMATE-RELATED RISK		
TRANSITION RISK	DESCRIPTION	RESPONSE
Market Risk (Medium-term to Long-term) ¹	<ul style="list-style-type: none"> • Increase in Operational Expenses: The demand for semiconductors is rapidly increasing, driven by the growing market for electric vehicles (“EVs”) and fuel cell vehicles. This surge in demand necessitates a reduction in perfluorocarbons, which in turn contributes to significant rises in the cost of semiconductor raw materials—such as silicon, silicon wafers, polycrystalline silicon, and monocrystalline silicon—thereby escalating operational expenses. • New Manufacturing Specifications: As semiconductor technology continues to progress in alignment with the latest industry standards, CDW may find that its current manufacturing equipment, processes, or chip designs will require additional lead time and resources to meet new manufacturing specifications. Failure to adapt could jeopardise competitiveness, lead to increased maintenance costs, create compatibility challenges, and ultimately result in a loss of market share. • Economic Structural Shifts: Climate policies (such as carbon taxes and green subsidies) or extreme weather events may trigger fluctuations in domestic/foreign exchange rates, thereby increasing cross-border supply chain costs or losses from the conversion of overseas revenues. 	<ul style="list-style-type: none"> • Besides streamlining the production process to enhance the efficiency and achieve optimisation, investing in modernisation and innovation would be useful to address these challenges effectively. • Improve communication and product development schedules that allow for early preparation to changing customers’ demands. • Increase automation and adopt pneumatic machinery to reduce energy consumption. • Negotiate prices with suppliers to pass on relevant costs. When selecting suppliers, prioritise those that comply with relevant policy requirements.

CLIMATE-RELATED RISK		
TRANSITION RISK	DESCRIPTION	RESPONSE
Reputation risk (Medium-term to Long-term) ¹	<ul style="list-style-type: none"> • Stakeholder Concerns: CDW acknowledges that stakeholder perceptions regarding corporate reputation are critically important, particularly in the context of climate management. Inadequate handling of climate-related issues may result in reputational damage, adversely affecting relationships with customers and suppliers. Furthermore, perceived mismanagement in this area can diminish investor confidence, potentially leading to increased financing costs and hindering CDW's growth and competitiveness in the global market. 	<ul style="list-style-type: none"> • Offer regular and transparent reporting on key climate performance indicators, such as GHG emissions, energy consumption, and progress on renewable material usage.
Policy and legal risk (Short-term to Medium-term) ¹	<ul style="list-style-type: none"> • Evolving ESG Regulations: The dynamic nature of ESG requirements is expected to result in more stringent climate reporting regulations. These developments may necessitate CDW to enhance energy efficiency standards and implement carbon taxes, increasing operational pressures. Additionally, more rigorous electronic waste management regulations could introduce new compliance obligations, raising legal risks and compliance costs. Such regulations may also escalate raw material prices, contributing to higher procurement expenses for the Group. 	<ul style="list-style-type: none"> • Keep abreast of the latest regulatory and proactively plan for upcoming changes in business activities within environmental strategies in the financial year.
Technology risk (Medium-term to Long-term) ¹	<ul style="list-style-type: none"> • Investment in Clean Energy Technologies: The ongoing advancements and innovations in environmental technologies may require CDW to invest in new clean energy solutions as replacements for traditional methods. Transitioning to diverse photovoltaic technology innovations and pursuing low-carbon initiatives will likely elevate research and development expenditures, operational costs for new projects, and expenses related to talent development. This shift is essential for CDW to maintain its competitive edge and align with emerging market expectations. 	<ul style="list-style-type: none"> • Implement a strategic budgeting process to allocate resources effectively for efficient machinery while managing operational costs. • Invest in efficient machinery of innovative clean energy technologies to replace traditional methods.

As the Group navigates the complexities of climate-related risks, it is essential to recognise the potential opportunities that arise from these challenges. By adopting a proactive approach to climate change, the Group can not only mitigate risks but also capitalise on emerging market demands for sustainable practices and products.

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CLIMATE-RELATED OPPORTUNITIES		
TYPE	DESCRIPTION	RESPONSES
Resource Efficiency (Medium-term to Long-term) ¹	<ul style="list-style-type: none"> • Streamlined Resource Management: CDW is committed to maintaining strict adherence to local regulations and internal resource management protocols. By optimizing resource and material usage, the Group can achieve significant cost savings through enhanced efficiency. Emphasising the use of sustainable materials not only contributes to operational cost reductions but also fosters a resilient and responsible supply chain, strengthening CDW's overall sustainability profile. 	<ul style="list-style-type: none"> • Implement a strategic budgeting process to allocate resources effectively for efficient machinery while managing operational costs. • Implement cost-reduction strategies through process optimisation so as to enhance production efficiency. • Allocate resources for upgrading or replacing outdated manufacturing equipment and processes.
Energy Source (Medium-term to Long-term) ¹	<ul style="list-style-type: none"> • Transition to Sustainable Energy: CDW diligently monitors and reviews its emissions and energy consumption metrics. This data-driven approach enables the identification of key areas for improvement, facilitating the implementation of targeted initiatives aimed at reducing environmental impact. Additionally, transitioning to cleaner and more sustainable energy sources not only mitigates CDW's carbon footprint but also unlocks long-term cost savings, enhancing overall financial performance. 	<ul style="list-style-type: none"> • Invest in continuous training for staff to keep pace with the latest industry standards. • Invest in sustainable energy assets and improve energy efficiency.
Product and Services (Medium-term to Long-term) ¹	<ul style="list-style-type: none"> • Development of Sustainable Products: By focusing on the development of low-emission precision components and integrating sustainable materials into its offerings, CDW can improve its competitive position. This proactive approach aligns with shifting consumer preferences towards environmentally friendly products, positioning CDW favorably in the marketplace. 	<ul style="list-style-type: none"> • Improve communication with customers and develop low-emission precision components.
Market (Medium-term to Long-term) ¹	<ul style="list-style-type: none"> • Promoting Ethical Practices: Beyond its operational boundaries, CDW is dedicated to fostering ethical and sustainable practices across its supply chain. Through the implementation of a rigorous supplier management system, CDW ensures that suppliers unable to meet the Group's sustainability standards are screened out. This commitment not only enhances the integrity of CDW's supply chain but also mitigates potential risks associated with non-compliance. • Leveraging Consumer Trends: As consumers increasingly prioritize environmentally conscious choices, CDW recognizes the opportunity to strengthen its market position by aligning with sustainable practices. This strategic alignment meets evolving consumer expectations and can foster increased trust and loyalty among customers. Consequently, CDW anticipates potential growth in market share and revenue as it resonates with the values of environmentally aware consumers. 	<ul style="list-style-type: none"> • Implement a rigorous supplier management system. • Improve communication and product development schedules that allow for early preparation to changing customers' demands.

Note:

¹ The time horizon is defined by the impact period that climate-related risks and opportunities may caused to the operation of the Group. Short-term is for 1 to 3 years, medium-term is for 3 to 5 years and long-term is for 5 to 10 years.

Risk Management

The Group has incorporated climate risk and opportunities considerations into its daily operations and the Group's enterprise risk management system. Management is responsible for identifying and addressing sustainability-related (including climate-related) risks and opportunities. These risks are continuously monitored to ensure they are incorporated into the Group's development, business decision-making and approval processes. The Group has established a risk management system and proactively deployed countermeasures in key climate-related links to effectively control and manage climate risks and opportunities and enhance the Group's ability to develop steadily in a complex environment, as described below:

Risk Identification

Collecting feedback from relevant stakeholders, studying and analysing the trends of climate risks and opportunities and industry development

Risk Assessment

Discussing with the management about the types of climate risks, the potential impact on the Group and opportunities

Risk Management

Formulating specific measures for identified risks and assessment results, continuously monitoring and evaluating their effectiveness, and continuously optimizing the risk management mechanism

Risk Disclosure

Disclosing in the annual ESG report on the Company's response to climate change in accordance with IFRS S2 Climate-related Disclosures

Metrics and Targets

Given the nature of the Group's operations, we do not generate significant GHG emissions. However, we remain committed to minimising environmental impact and continuously improving our sustainability efforts. Please refer to the section "Emissions" below for the full disclosure of our performances and relevant initiatives taken in FY2025.

SUSTAINABILITY REPORT

EMISSIONS

GRI 305: EMISSIONS 2016

Management Approach

Considering climate change as a significant sustainability risk of the Group, CDW acknowledges the imperative to minimise GHG emissions on a global scale and its critical importance to stakeholders across all operational regions. The Group is aware of the potential environmental impacts associated with its services, facilities, and activities, emphasising the essential need for effective energy consumption management.

To address these challenges, CDW has introduced a variety of initiatives aimed at reducing emissions encompassing a carbon reduction strategy, performance monitoring, and an energy-savings plan. The Group is diligently enhancing its efforts to reduce GHG emissions by incorporating energy-efficient technologies and encouraging environmentally responsible practices among users. These initiatives feature the deployment of Internet of Things (“IoT”) solutions in the workplace, the installation of energy-saving LED lighting panels, the replacement of disposable hand towels with hand dryers, and the introduction of a water ioniser machine to lower dependence on bottled water.

During the reporting period, the Group commenced manufacturing operations within a customer’s facility to enhance production efficiency and reduce packaging requirements. By integrating manufacturing lines directly at our client’s premises, the Group is able to streamline processes, lower transportation needs, and consequently reduce associated costs and GHG emissions. In addition, the Group has transitioned to the use of electricity-powered and air-driven pump systems in its manufacturing processes, replacing less efficient alternatives. The machinery deployed is specifically designed with energy efficiency in mind, contributing to reduced energy consumption and supporting the overall sustainability of our operations. Additionally, CDW actively seeks continuous feedback and suggestions from employees and operational teams to identify further opportunities for improvement and to strengthen the effectiveness of its emissions reduction initiatives.

FY2025 Performance

Consistent with previous sustainability reports, CDW has conducted a thorough carbon assessment to quantify its GHG emissions, ensuring compliance with both international and local standards. These standards include ISO 14064-1, the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential, or Institutional Purposes) in Hong Kong (2010), and guidelines issued by the Ministry of Ecology and Environment of China. This approach allows for precise and meaningful comparisons with the GHG emissions data from past years. Specifically, emissions from CD Shanghai, TM Dongguan and HK Office are reported separately for clarity and consistency. All values are meticulously rounded to the appropriate decimal places for accuracy.

SUSTAINABILITY REPORT

		CD Shanghai			TM Dongguan			HK Office		
		2023	2024	2025	2023	2024	2025	2023	2024	2025
Scope 1: Direct GHG Emissions ¹ Carbon Dioxide Emission (tonnes CO ₂ e)	Combustion of fuels in stationary sources	34.7	21.9	27.8	NA ²	NA ²	NA ²	NA	NA	NA
	Combustion of fuels in mobile sources	59.7	66.2	42.9 ³	NA	9.0	NA	8.3	8.1	7.8
	Fugitive emissions from refrigeration equipment	0.0	0.02	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Sub-total	94.5	88.1	70.7	0.0	9.0	0.0	8.3	8.1	7.8
Scope 2: Energy Indirect GHG Emissions ⁴ (tonnes CO ₂ e)	CO ₂ emissions from the generation of purchased electricity	1,105.3	1,463.4	1,217.7	579.0	601.0	432.9	31.8	31.8	28.0
	Sub-total	1,105.3	1,463.4	1,217.7	579.0	601.0	432.9	31.8	31.8	28.0
Scope 3: Other Indirect GHG Emissions ⁵ (tonnes CO ₂ e)	Business travel by air	12.5	16.1	14.6	0.8	0.0	3.7	15.6	5.4	44.3
	Freshwater consumption	39.2	16.0	7.2	2.8	4.9	5.2	0.04	0.02	0.03
	Sewage	18.9	7.9	3.6	1.3	2.4	2.6	0.01	0.02	0.01
	Paper waste disposal to landfill	19.0	12.7	8.9	2.6	3.9	2.6	5.5	2.3	2.0
	Sub-total	89.6	52.7	34.3	7.5	11.2	14.1	21.2	7.7	46.3
Total GHG Emissions (tonnes CO₂e)		1,289.5	1,604.2	1,322.7	586.4	621.2	447	61.3	47.6	82.1
GHG Emissions Intensity (tonnes CO₂e per thousand units of products)		0.20	0.25	0.18	0.21	0.22	0.16	-	-	-
GHG Emissions Intensity (tonnes CO₂e per thousand dollars of income)		0.0026	0.0032	0.0026	0.003	0.003	0.002	-	-	-

Notes:

¹ The emission factors are obtained from the EMSD Guidelines and "2023 National Electricity Carbon Footprint Factor" issued by the Ministry of Ecology and Environment of China for the HK Office and CD Shanghai respectively.

² TM Dongguan does not generate emissions from stationary or mobile combustion. Their operations are powered by electricity purchased from the grid.

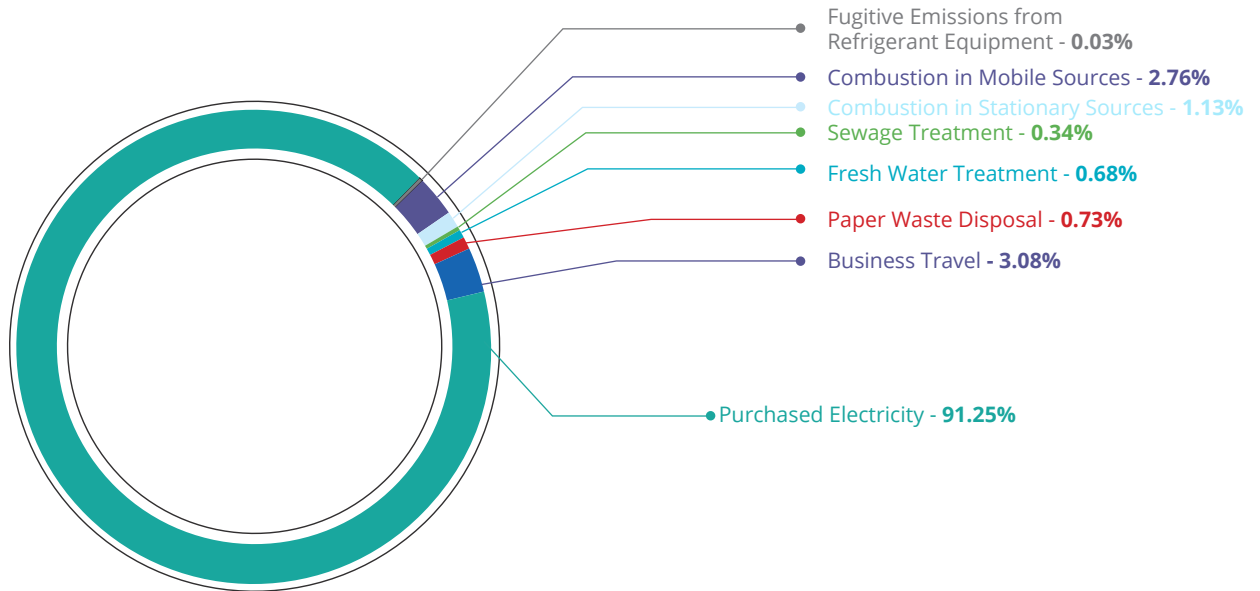
³ The reduction in mobile source emissions is attributable to CD Shanghai's replacement of fossil fuel vehicles with petrol-electric hybrid or pure electric vehicles.

⁴ The calculation of GHG emissions of purchased electricity is referenced to emission factors from the Shanghai Municipal Bureau of Ecology and Environment for CD Shanghai, emission factors from the Department of Ecology and Environment of Guangdong Province for TM Dongguan, and emission factors from the CLP Power Limited "Sustainability Report 2024 - ESG Databook" for the HK Office.

⁵ Emissions from business travel are calculated using ICAO's "Carbon Emissions Calculator", while the emissions from freshwater consumption, sewage and paper waste disposal to landfill are calculated using emission factors obtained from the WSD annual report 2022/23, DSD Sustainability Report 2022/23 and EMSD Guidelines respectively.

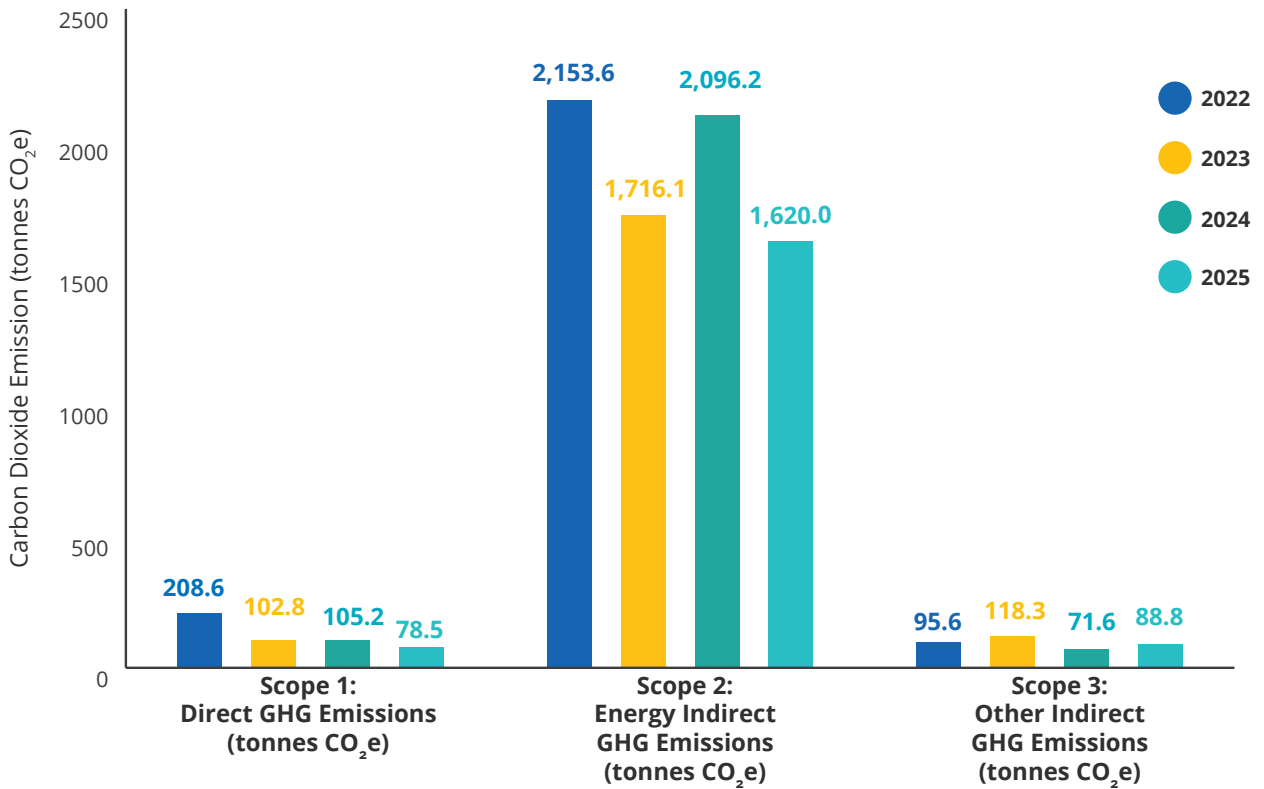
SUSTAINABILITY REPORT

Total GHG Emission (by emission source)



In FY2025, CD Shanghai generated approximately 1,322.7 tCO₂e GHG emissions with the bulk – 92% – stemming from Scope 2 GHG emissions due to purchased electricity. This pattern aligns with prior years. Concurrently, HK Office emitted a total of 28.0 tCO₂e, primarily from Scope 2 GHG emissions, which accounted for 34% of its total emissions. TM Dongguan disclosed 432.9 tCO₂e emissions, overwhelmingly from purchased electricity of Scope 2 GHG emissions, contributing to 97% of its total GHG emissions. Collectively, across all the entities, Scope 2 GHG emissions emerged as the most significant contributor, accounting for 91% of the cumulative emissions profile.

GHG Emission Comparison with Previous Years (2022-2025)

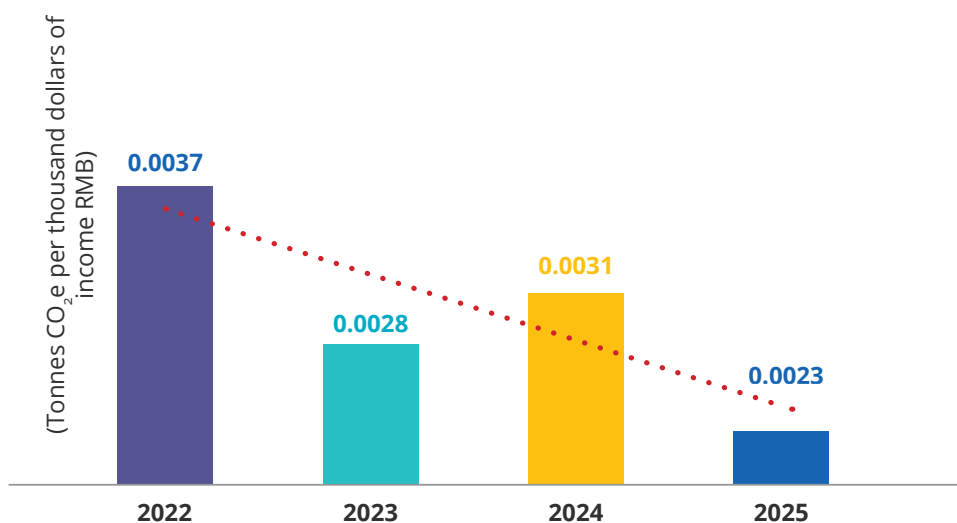


There has been a decrease in both Scope 1 and 2 GHG emissions across CDW's reporting boundary for this year due to decreased consumption in petrol from vehicle usage and electricity. Additionally, there has been a level of stability in the Group's total Scope 3 GHG emissions.

In FY2025, CDW has achieved its goal of reducing total GHG emissions by 2% compared to the 2019 levels (2,452 tCO₂e) for CD Shanghai. Additionally, the target of reducing the GHG emissions intensity (per thousand units of products) by 2% relative to the 2019 metrics (0.33 tCO₂e/thousand units of products) was achieved. No refrigerants are used in this year.

SUSTAINABILITY REPORT

GHG Emissions Intensity Comparison with Previous Years (2022-2025)



Note:

Starting from 2023, GHG Emissions Intensity value includes the combined intensity value for both CD Shanghai and TM Dongguan.

Given the potential consequences of air pollutants on both the environment and human health, CDW is committed to monitoring the air emissions resulting from its business activities. The air pollutants stemming from CDW's activities during this reporting year were:

TYPE OF AIR POLLUTANT	EMISSIONS (kg)								
	CD Shanghai			TM Dongguan ¹			Hong Kong		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Nitrogen oxides (NOx)	42.04	63.91	84.20	NA ³	49.91	NA ³	3.75	55.38	54.40
Sulphur oxides (SOx)	3.00	13.87	0.31 ²	NA ³	0.05	NA ³	0.05	0.04	0.04
Respirable Suspended Particles (RSP)	2.75	5.44	5.54	NA ³	4.76	NA ³	0.28	5.16	5.07

Notes:

¹ The 2023 GHG Emissions Intensity value includes the combined intensity value for both CD Shanghai and TM Dongguan.

² The reduction in SOx emissions is mainly attributable to the transition from LNG to canned liquefied natural gas in operations.

³ TM Dongguan has transited their transportation fleet from fuel vehicles to electric vehicles.

CDW commits to ongoing monitoring and evaluation of its air pollutant emissions and remains dedicated to exploring opportunities for adopting machinery and vehicles with lower emissions profiles whenever feasible in line with CDW's steadfast commitment to environmental sustainability.



IN THE SPOTLIGHT

Transition to EVs in Shanghai China

As part of our commitment to sustainability and carbon reduction, we are transitioning our transportation fleet in Shanghai China to EVs. This strategic shift aligns with our global environmental goals and supports China's push for green mobility. By replacing traditional fuel-powered vehicles with EVs, we aim to reduce greenhouse gas emissions, lower operational costs, and contribute to cleaner air in urban areas.

MATERIALS

GRI 301: MATERIALS 2016

Management Approach

Materials and resources play a crucial role in the day-to-day operations and overall business of CDW. The Group acknowledges the importance of finite resources and actively implements strategies to ensure their responsible use for sustainable development in the long run. CDW places a strong emphasis on adhering to production processes and operational practices that focus on reducing, reusing, and recycling. The Group has placed numerous recycling bins across its workplaces and has issued memos in communal areas to encourage recycling among employees. Furthermore, feedback from consumers regarding the Group's products and packaging is instrumental in refining materials and enhancing packaging in accordance with the instructions and requirements provided by our clients, all with the objective of providing high-quality and safe products to all customers.

FY2025 Performance

In FY2025, CDW did not encounter significant instances of material misuse or mismanagement. It is observed that there was a reduction in raw material consumption from FY2024 to FY2025, primarily attributed to reduced production amount and a decrease in the demand from customers. In the meantime, the proportion of renewable packaging materials in total materials utilised registered an increase from FY2024 to FY2025. CDW is committed to conducting regular reviews of the Group's material usage on an annual basis, with the objective of identifying and implementing strategies to reduce packaging and materials requirements. This initiative is part of CDW's broader commitment to maintaining the quality and safety standards for its products while striving for environmental sustainability.

SUSTAINABILITY REPORT

CD Shanghai			Total Category Weight (kg) FY2023	Total Category Weight (kg) FY2024	Total Category Weight (kg) FY2025
Raw materials (kg)	Non- renewable	Tapes	43,137	50,856	44,310
		Diaphragm	251,414	164,171	160,016
		LED-FPC	4,966	1,946	2,038
		Total	299,517	216,973	206,364
	Renewable	Sheet Metal	582,660	324,944	318,616
		Light Guide Plate	534,786	334,790	319,847
		Plastic Frame	40,986	38,462	35,340
Total	1,158,432	698,196	673,803		
Packaging materials (kg)	Non- renewable	NA			
	Renewable	Plastic Tray	242,967	206,227	206,303
		Carton	260,943	170,360	181,092
		Plastic Pallet	29,610	57,120	77,560
		Wooden Pallet	33,800	14,820	15,730
		Total	567,320	448,527	480,685

TM Dongguan			Total Category Weight (kg) FY2023	Total Category Weight (kg) FY2024	Total Category Weight (kg) FY2025
Raw materials (kg)	Non- renewable	Digital monolithic integrated circuit	573	510	136
		Flexible blank circuit boards	2,668	15,547	1,021
		Light-emitting diode	1,627	677	443
		Total	4,868	16,734	1,157
	Renewable	NA			
Packaging materials (kg)	Non- Renewable	NA			
	Renewable	Plastic Tray	38,400	570	520
		Carton	9,130	27,600	25,500
		Plastic Pallet	2,400	800	730
		Wooden Pallet	700	NA	NA
Total	50,630	28,970	256,250		

Total		Total Category Weight (kg) FY2023	Total Category Weight (kg) FY2024	Total Category Weight (kg) FY2025
Raw materials (kg)	Non-renewable	304,385	233,707	207,521
	Renewable	1,158,432	698,196	673,803
Packaging materials (kg)	Non-Renewable	NA		
	Renewable	617,950	477,497	736,935

STRATEGIC PROGRESS

Targets of Our Sustainability Material Issues

FY2025 Performance

Goals and Targets

The table below presents CDW's updated short-term targets for diverse sustainability issues, along with an overview of the progress status.

MATERIAL ISSUE	TARGET(S) SET FOR FY2025	STATUS OF PROGRESS	NEW TARGET(S) MAINTAINED FOR FY2026
Anti-corruption	<p>CD Shanghai & TM Dongguan: Maintain a track record of zero confirmed incidents related to corruption, bribery or unethical practices.</p> <p>HK Office: Join relevant seminars at least once a year and introduce some measures to existing employees.</p>	Zero confirmed incidents related to corruption, bribery or unethical practices	<p>CD Shanghai & TM Dongguan: Maintain a track record of zero confirmed incidents related to corruption, bribery or unethical practices.</p> <p>HK Office: Join relevant seminars at least once a year and introduce some measures to existing employees.</p>
Anti-competiton	Maintain a track record of zero substantiated cases regarding anti-competition.	Zero substantiated cases regarding anti-competition	Maintain a track record of zero substantiated cases regarding anti-competition.
Customer Data Protection and Customer Privacy	<p>CD Shanghai & TM Dongguan: Maintain a track record of zero incidents involving customer privacy.</p> <p>HK Office: Administration department staff members are to attend a customer privacy related seminar while HK Office continues to maintain a zero-incident track record involving customer privacy.</p>	Zero incidents involving customer privacy	<p>CD Shanghai & TM Dongguan: Maintain a track record of zero incidents involving customer privacy.</p> <p>HK Office: Administration department staff members are to attend a customer privacy related seminar while HK Office continues to maintain a zero-incident track record involving customer privacy.</p>

SUSTAINABILITY REPORT

MATERIAL ISSUE	TARGET(S) SET FOR FY2025	STATUS OF PROGRESS	NEW TARGET(S) MAINTAINED FOR FY2026
Customer Health and Safety	<p>CD Shanghai & TM Dongguan: Maintain a track record of not more than three times of customer complaints each month and work towards zero customer complaints.</p> <p>HK Office: Administration Department arranges staff members to attend customer health and safety related seminar.</p>	Zero incidents of non-compliance with regulations or voluntary codes related to the health and safety impacts of its products	<p>CD Shanghai & TM Dongguan: Maintain a track record of not more than three times of customer complaints each month and work towards zero customer complaints.</p> <p>HK Office: Administration Department arranges staff members to attend customer health and safety related seminar.</p>
Child Labour	Zero incident in employing underage workers, in full compliance with local laws and regulations.	Achieved	Zero incident in employing underage workers, in full compliance with local laws and regulations.
Employment System	Full compliance with local laws and regulations.	Achieved	Full compliance with local laws and regulations.
Forced or Compulsory Labour	<p>CD Shanghai & TM Dongguan: Maintain zero incidents of forced or compulsory labour.</p> <p>HK Office: Actively address the work-life balance of employees and do not encourage overtime work.</p>	Zero incidents of forced or compulsory labour	<p>CD Shanghai & TM Dongguan: Maintain zero incidents of forced or compulsory labour.</p> <p>HK Office: Actively address the work-life balance of employees and do not encourage overtime work.</p>

SUSTAINABILITY REPORT

MATERIAL ISSUE	TARGET(S) SET FOR FY2025	STATUS OF PROGRESS	NEW TARGET(S) MAINTAINED FOR FY2026
<p>Labour/ Management relations</p>	<p>CD Shanghai & TM Dongguan: Effectively collect opinions from suggestion box for on-site employees, and provide regular feedback and improvement based on the suggestions from the suggestion box.</p> <p>Conduct regular employee satisfaction surveys and implement feedback raised during the survey.</p> <p>HK Office: Conduct a survey to assess employees' satisfaction with the company upon resignation.</p>	<p>In progress, continuously reviewing employee feedback and feedback channels</p>	<p>CD Shanghai & TM Dongguan: Effectively collect opinions from suggestion box for on-site employees, and provide regular feedback and improvement based on the suggestions from the suggestion box.</p> <p>Conduct regular employee satisfaction surveys and implement feedback raised during the survey.</p> <p>HK Office: Conduct a survey to assess employees' satisfaction with the company upon resignation.</p>
<p>Occupational Health and Safety</p>	<p>CD Shanghai & TM Dongguan: Continue improving the occupational health and safety management system.</p> <p>Provide training opportunities on occupational health and safety for employees.</p> <p>HK Office: Conduct 2025 evacuation drills by office building management; Increase the number of employees participating in the above evacuation drills.</p> <p>Continue monitoring the work-life balance of employees and promote work-life balance. If the employee needs to work overtime, it has to submit an application form for approval.</p>	<p>Zero workplace fatalities</p>	<p>CD Shanghai & TM Dongguan: Continue improving the occupational health and safety management system.</p> <p>Provide training opportunities on occupational health and safety for employees.</p> <p>HK Office: Conduct 2025 evacuation drills by office building management; Increase the number of employees participating in the above evacuation drills.</p> <p>Continue monitoring the work-life balance of employees and promote work-life balance. If the employee needs to work overtime, it has to submit an application form for approval.</p>

SUSTAINABILITY REPORT

MATERIAL ISSUE	TARGET(S) SET FOR FY2025	STATUS OF PROGRESS	NEW TARGET(S) MAINTAINED FOR FY2026
Training and Development	Encourage employees to join relevant seminars and trainings. Introduce appropriate measures to existing employees to encourage them to enhance their work-related skills and knowledge.	In progress, continue to encourage trainings for staff on a needs basis	Encourage employees to join relevant seminars and trainings. Introduce appropriate measures to existing employees to encourage them to enhance their work-related skills and knowledge.
Non-discrimination	Zero incident, in full compliance with local laws and regulations.	Achieved	Zero incident, in full compliance with local laws and regulations.
Diversity and Equal Opportunity	Zero incident, in full compliance with local laws and regulations.	Achieved	Zero incident, in full compliance with local laws and regulations.
Supplier Social Assessment	Continue to achieve 100% screening of new suppliers in compliance with local legislations such as the Hong Kong Common Law.	100% of new suppliers screened.	Continue to achieve 100% screening of new suppliers in compliance with local legislations such as the Hong Kong Common Law.
Emissions	Maintain target to reduce its absolute GHG emissions by 2% and for reduction of its GHG emissions intensity (in tonnes CO ₂ e per thousand dollars of income) by 2% (as compared to 2019 levels). Look into setting new revised targets based on expanded reporting scope (inclusion of TM Dongguan).	Achieved	Maintain target to reduce its absolute GHG emissions by 2% and for reduction of its GHG emissions intensity (in tonnes CO ₂ e per thousand dollars of income) by 2% (as compared to 2019 levels). Look into setting new revised targets based on expanded reporting scope (inclusion of TM Dongguan).
Materials	CD Shanghai & TM Dongguan: Continue to explore ways to reduce non-renewable material usage and ensure compliance with customer requirements.	Proportion of renewable packaging materials increased in FY2025 compared to FY2024.	CD Shanghai & TM Dongguan: Continue to explore ways to reduce non-renewable material usage and ensure compliance with customer requirements.

KEY ESG SOCIAL FIGURES

	CD Shanghai		TM Dongguan	
	Number of Males	Number of Females	Number of Males	Number of Females
GRADE	NUMBER OF EMPLOYEES		NUMBER OF EMPLOYEES	
Senior Management	4	0	4	0
Middle Management	12	30	9	10
Entry-level or General Staff	31	228	17	34
AGE	NUMBER OF EMPLOYEES		NUMBER OF EMPLOYEES	
< 30	2	4	3	4
30-50	27	231	23	33
> 50	18	23	4	7
AGE	NEW EMPLOYEE HIRES		NEW EMPLOYEE HIRES	
< 30	0	0	29	19
30-50	1	0	14	23
> 50	0	0	0	1
New Employee Hire Rate ¹	0.3%		116%	
AGE	EMPLOYEE TURNOVER		EMPLOYEE TURNOVER	
< 30	0	2	40	36
30-50	0	17	35	73
> 50	1	3	2	3
Turnover Rate ²	8%		255%	
GRADE	TOTAL TRAINING HOURS		TOTAL TRAINING HOURS	
Senior Management	12	0	64	0
Middle Management	72	180	144	160
Entry-level or General Staff	248	1,824	272	544

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HK Office		
GRADE	Number of Males	Number of Females
	NUMBER OF EMPLOYEES	
Senior Management	6	1
Middle Management	4	2
Entry-level or General Staff	10	12
AGE	NUMBER OF EMPLOYEES	
< 30	1	0
30-50	12	9
> 50	7	6
AGE	NEW EMPLOYEE HIRES	
< 30	0	0
30-50	0	2
> 50	0	2
New Employee Hire Rate ¹	11%	
AGE	EMPLOYEE TURNOVER	
< 30	0	0
30-50	1	4
> 50	3	1
Turnover Rate ²	26%	
GRADE	TOTAL TRAINING HOURS	
Senior Management	2	2
Middle Management	8	3
Entry-level or General Staff	8	6

Notes:

¹ New Employee Hire Rate is calculated as follows: Total number of new employees/ Total number of employees in FY2025.

² Turnover Rate is calculated as follows: Total number of employee turnover/ Total number of employees in FY2025.

Statement of use	CDW Holding Limited has reported with reference to the GRI Standards for the period of 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

GRI-SGX CONTENT INDEX

Index	GRI Disclosure	SGX-ST	Page Number(s)	Remark(s)
GRI 2: General Disclosures 2021				
2-1	Organisational details		2-3, 26-27	
2-2	Entities included in the organisation's sustainability reporting		23	
2-3	Reporting period, frequency and contact point	PN7.6- 6	24-26	
2-4	Restatements of information		NA for the entities covered in the Report.	
2-5	External assurance	PN7.6- 5	25	
2-6	Activities, value chain and other business relationships	PN7.6- 4.6	2-3, 26-27	
2-7	Employees		37, 65-66	
2-8	Workers who are not employees		NA for the entities covered in the Report.	
2-9	Governance structure and composition	PN7.6- 3.1	29, 76-78	
2-10	Nomination and selection of the highest governance body	PN7.6- 3.1	Corporate Governance Report, 79-80	
2-11	Chair of the highest governance body	PN7.6- 3.1	Corporate Governance Report, 79-80	
2-12	Role of the highest governance body in overseeing the management of impacts	PN7.6- 3.1	29	
2-13	Delegation of responsibility for managing impacts	PN7.6- 3.1	29	
2-14	Role of the highest governance body in sustainability reporting	PN7.6- 3.1	29	
2-15	Conflicts of interest	PN7.6-4.4	Corporate Governance Report, 76-78	
2-16	Communication of critical concerns	PN7.6- 4.35	90-91	
2-17	Collective knowledge of the highest governance body		29	
2-18	Evaluation of the performance of the highest governance body		Corporate Governance Report, 80	

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Index	GRI Disclosure	SGX-ST	Page Number(s)	Remark(s)
2-19	Remuneration policies		Corporate Governance Report, 81-82	
2-20	Process to determine remuneration		Corporate Governance Report, 81-82	
2-21	Annual total compensation ratio		Corporate Governance Report, 83	
2-22	Statement on sustainable development strategy	LR711B-1e, PN7.6- 4.1f	27-28	
2-23	Policy commitments		Code of conduct, 37-39	
2-24	Embedding policy commitments		Information security policy, 37 OHS policies and procedures, 42-44 Non-discrimination and equal opportunity policy, 44	
2-25	Processes to remediate negative impacts		Corporate Governance Report, 88-89	
2-26	Mechanisms for seeking advice and raising concerns		Corporate Governance Report, 88-89	
2-27	Compliance with laws and regulations		37-40	
2-28	Membership associations		NA for the entities covered in the Report.	
2-29	Approach to stakeholder engagement	PN7.6- 3.6	32-33	
2-30	Collective bargaining agreements		41	
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	PN7.6- 3.1	33	
3-2	List of material topics	LR711B-1a, PN7.6- 4.1a	34-35	
CATEGORY: ECONOMIC				
GRI 205: Anti-corruption 2016				
3-3	Management approach disclosures	LR711B-1b, PN7.6- 4.1c	37	

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Index	GRI Disclosure	SGX-ST	Page Number(s)	Remark(s)
205-2	Communication and training about anti-corruption policies and procedures	PN7.6- 4.4	37-38	
205-3	Confirmed incidents of corruption and actions taken	PN7.6- 4.4	37-38	
CATEGORY: ENVIRONMENT				
GRI 301: Materials 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	59	
301-1	Materials used by weight or volume	PN7.6- 4.3	60	
GRI 305: Emissions 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	54	
305-1	Direct (Scope 1) GHG emissions	PN7.6- 4.3	55-58	
305-2	Energy indirect (Scope 2) GHG emissions	PN7.6- 4.3	55-58	
305-3	Other indirect (Scope 3) GHG emissions	PN7.6- 4.3	55-58	
305-4	GHG emissions intensity	PN7.6- 4.3	55-58	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		58	
GRI 308: Supplier Environmental Assessment 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	38	
414-1	New supplier that were screened using environmental criteria	PN7.6- 4.3	38	
CATEGORY: SOCIAL				
GRI 401: Employment 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	40	
401-1	New employee hires and employee turnover	PN7.6- 4.3	41, 65-66	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	PN7.6- 4.3	43	
GRI 402: Labour/Management Relations 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	41	
402-1	Minimum notice periods regarding operational changes	PN7.6- 4.3	41	
GRI 403: Occupational Health and Safety 2018				
3-3	Management of material topics	LR711B-1 b, PN7.6- 4.1c	42	
403-1	Occupational health and safety management system	PN7.6- 4.3	42	

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Index	GRI Disclosure	SGX-ST	Page Number(s)	Remark(s)
403-2	Hazard identification, risk assessment, and incident investigation	PN7.6- 4.3	43	
403-4	Worker participation, consultation, and communication on occupational health and safety	PN7.6- 4.3	43	
403-5	Worker training on occupational health and safety	PN7.6- 4.3	42	
403-9	Work-related injuries	PN7.6- 4.3	43	
403-10	Work-related ill health	PN7.6- 4.3	43	
GRI 404: Training and Education 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	46	
404-1	Average hours of training per year per employee	PN7.6- 4.3	46	
404-2a	Type and scope of programs implemented, and assistance provided to upgrade employee skills	PN7.6- 4.3	46	
404-3	Percentage of employees receiving regular performance and career development reviews	PN7.6- 4.3	46	
GRI 405: Diversity and Equal Opportunity 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	44	
405-1	Diversity of governance bodies and employees	PN7.6- 4.5	65-66	
405-2	Ratio of basic salary and remuneration of women to men	PN7.6- 4.5	44	
GRI: 406 Non-discrimination 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	45	
406-1	Incidents of discrimination and corrective actions taken	PN7.6- 4.3	45	
GRI 408: Child Labour 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	47	
408-1	Operations and suppliers at significant risk for incidents of child labour	PN7.6- 4.3	47	
GRI 409: Forced or Compulsory Labour 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	47	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	PN7.6- 4.3	47	

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Index	GRI Disclosure	SGX-ST	Page Number(s)	Remark(s)
GRI 414: Supplier Social Assessment 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	38	
414-1	New supplier that were screened using social criteria	PN7.6- 4.3	64	
GRI 416: Customer Health and Safety 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	39	
416-1	Incidents of non-compliance concerning the health and safety impacts of products and services	PN7.6- 4.3	39	
GRI 418: Customer Privacy 2016				
3-3	Management of material topics	LR711B-1b, PN7.6- 4.1c	39-40	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	PN7.6- 4.3	39-40	
Others				
	Climate Disclosures	LR711B-1 Aa, LR711B-2, PN7.6- 4b	48-58	CDW seeks to fully align the Group's reporting with the ISSB standards to enhance transparency and ensure alignment with evolving global sustainability reporting frameworks.
	Targets	LR711B-1c, PN7.6- 4d	61-64	Refer to Strategic Progress section
	Sustainability Reporting Framework	LR711B-1d, PN7.6-3.5, PN7.6- 4e	24	Refer to Reporting Standards section
	Internal Review	LR711B-3, PN7.6-5	25	Refer to External Assurance and Internal Review section
	Risks and Opportunities	PN7.6- 3.3	30-31, 49-52	

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CDW Holding Limited (the “**Company**”) recognises the importance of and is committed to high standards of corporate governance and have put in place several monitoring mechanisms to ensure effective corporate governance within the Company and its subsidiaries (the “**Group**”). To this end, the Board of Directors (“**Board**”) and Management are responsible in ensuring that the Company’s corporate governance framework serves to enhance the Company’s performance, accountability, transparency, protects the interests of the Company’s stakeholders and maximises long-term shareholders’ value for a sustainable long-term performance and value creation.

This report describes the corporate governance policies and practices of the Company with reference to the principles and provisions advocated in the Singapore Code of Corporate Governance 2018 (last amended on 11 January 2023) issued by the Monetary Authority of Singapore (the “**Code**”) with the accompanying Practice Guidance on 6 August 2018 (last amended on 11 January 2023), which forms part of the continuing obligations of the Listing Rules (“**LR**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Company is guided in its corporate governance practices by the Code, and continues to strive towards maintaining proper accountability, high standards of corporate governance and corporate transparency. The Company is pleased to confirm that it has substantially adhered to the principles and guidelines of the Code and any deviation have been appropriately explained and provided for, as well as it has adopted the practices consistent with the intent and philosophy of the relevant principles within this Corporate Governance Report (“**CG Report**”).

BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Company is led by an experienced Board that provides leadership and guidance to Management. Through the Board’s entrepreneurial leadership, the Group aims to achieve long-term, sustainable success.

The members of the Board for the financial year ended 31 December 2025 (“**FY2025**”) and as at the date of this CG Report are:

KATO Tomonori	(Chairman, Executive Director and Chief Executive Officer)
CHEUNG Chi Ming	(Executive Director and Chief Financial Officer)
CHIA Seng Hee	(Lead Independent Director)
YAP Tong Teck	(Independent Director)
ENDO Mamoru	(Independent Director)

The key functions of the Board, besides carrying out its statutory responsibilities, are as follows:

- i. playing an effective role in formulating the overall long-term strategic plans, performance objectives and direction for the Group, including appropriate focus on value creation, innovation and sustainability;
- ii. overall responsibility for corporate governance, with oversight on day-to-day operations of management and Management’s affairs;
- iii. approaching sustainability issues by considering and balancing the needs and interests of material stakeholders as part of its overall strategy to ensure that the best interests of the Company are served. The Company is committed to sustainability and incorporates the key principles of environmental and social responsibility, and corporate governance in setting its business strategies and operations. More details will be disclosed in the Company’s sustainability report for the financial year ended 31 December 2025 (“**SR 2025**”) which is set out on page 24 to page 71 of this Annual Report;

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- iv. reviewing periodic financial reports to assess its financial performance and implementing policies for risk management, internal controls and compliance;
- v. assessing risks faced by the Group and reviewing and monitoring the adequacy of measures to mitigate such risks;
- vi. approval of nomination of Directors to the Board, changes in the composition of the Board, Board Committees and endorsement of Executive Directors' recommendation of appointment of key management personnel ("**KMP**"), if any; and
- vii. for remuneration matters, the Board, in consultation with and based on recommendations from the Remuneration Committee, reviews and endorses the recommended framework of remuneration for the Board and Management.

All Directors act objectively to discharge their fiduciary duties and responsibilities at all times in the best interests of the Group and hold Management accountable for performance.

To ensure that specific issues are reviewed and discussed in-depth and in timely manner, certain functions have been delegated to various Board Committees, which submit their recommendations or decisions to the Board. The Board Committees constituted by the Board, namely, Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Investment Committee (collectively, the "Board Committees"). Each Board Committee has been constituted with a clearly written terms of reference ("**TOR**") that has been approved by the Board. The TORs are reviewed on a regular basis to ensure continued relevance and consistency. The entire Board retains overall control even though it has established these Board Committees to support and to assist it in the discharge of its oversight function and the execution of its responsibilities. The effectiveness of each Board Committee is also reviewed by the Board annually.

There is a clear delineation of roles between the Board and Management, with the CEO acting as the conduit between the Board and Management in driving the success of the Company's governance and management function. The Board and Management fully appreciate that an effective and robust board whose members engage in open and constructive debate and challenge Management on its assumptions and proposals is fundamental to good corporate governance. The Directors on the Board have the appropriate core competencies and diversity of experience to enable them to contribute effectively and to objectively raise issues and seek clarification as and when necessary from the Board and Management on matters pertaining to their area of responsibilities.

The Company has adopted and documented internal guidelines which has been clearly communicated to Management governing matters that require formal Board approval. Matters specifically reserved for Board approval and where decisions by the full Board are required which include matters of potential conflict of interest involving a substantial shareholder or a Director; material acquisitions and disposal of assets; approval of interested person transactions; corporate or financial restructuring; material investments; considering sustainability issues as part of its strategic formulation; shares issuance; dividend declarations; appointment of new Directors; endorsement of specific remuneration packages for Directors and KMP; the approval of the annual budget, capital management plans, annual reports, financial statements and financial results announcements which require public disclosures; and proposals from Board Committee(s).

To assist the Board in discharging its oversight functions, Management also has in place an Investment Committee ("**IC**"). Members of the IC are appointed by Executive Directors from amongst the members of the Board. During the period and as at the date of this report, members of the IC are:

KATO Tomonori (Chairman)
CHEUNG Chi Ming

The primary function of the IC is to allocate resources and to evaluate potential investment projects which create value for the Company. The IC reports to the Board of Directors with ARC's independent assessment on the risks associated with the allocation of resources and potential investment projects. The IC has its own TOR, which is reviewed on a regular basis.

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Formal Board and Board Committees meetings were conducted regularly on a quarterly basis for FY2025 to review and evaluate the Group's strategy, operations and performance. Additional meetings are convened when the circumstances warrant and/or resolutions in writing of the Board or Board Committees are circulated for matters that require the approval of the Board and/or Board Committees. Where a Director faces conflicts of interest, he shall recuse himself from discussions and decisions on the relevant matter.

To keep pace with regulatory changes, the Company's Bye-laws allow for meetings to be conducted by way of teleconference and video conference to facilitate participation by Board members and Management where the physical presence of the Board members, Board Committee members and Management at such meetings would either be not feasible or cause undue delay of such meetings. The schedule of all Board and Board Committee meetings for each financial year is planned well in advance, in consultation with the Directors and members of the Board Committee. Notices and agendas of the meetings and documentation to the agenda items with complete, adequate and timely information are provided to the Board and Board Committees prior to each meeting. This is to enable the Board and the Board Committees' members to make informed decisions and discharge their duties and responsibilities to which the Board and Board Committees also obtain information from Management. As such, Management endeavours to circulate information and meeting materials for the Board and Board Committees' meetings at least 48 hours prior to the meetings to allow sufficient time for the Board and Committees members to review the relevant materials.

The attendance of the Directors at the Board and Board Committees meetings for FY2025 is set out below:

	Board	ARC	NC	RC	Annual General Meeting
Numbers of meetings held	6	6	1	1	1
Names of Director	Numbers of meetings attended				
KATO Tomonori	6	1 ⁽¹⁾	–	–	1
CHEUNG Chi Ming	6	6 ⁽¹⁾	1 ⁽¹⁾	1 ⁽¹⁾	1
CHIA Seng Hee	6	6	1	1	1
YAP Tong Teck	6	6	1	1	1
ENDO Mamoru	6	6	1	1	1

Note:

1. By invitation.

There was no IC meeting held during FY2025.

The Directors received relevant training as and when appropriate, in particular on the application of new laws and regulations, changes in financial reporting standards as well as the changing commercial risks which are relevant to the business and operations of the Group. The Directors also be updated from time to time on the business of the Group through regular meetings and informal discussions. During FY2025, some of the external courses attended by the Directors include:-

- ESG025: Sustainability Reporting- Applying the IFRS Sustainability Disclosure Standards (ISSB Standards) – conducted by Institute of Singapore Chartered Accountants ("ISCA")
- CGS 1 - A Director's Guide for Navigating Climate Change – conducted by Singapore Institute of Directors ("SID")
- Cyber Resilience Training for Board Directors – conducted by SID
- CTP1 - Navigating D&O Insurance: Essential Protection for Directors and Executives – conducted by SID
- Asking Better Questions: Launch of ABQ Guide for Directors – conducted by SID

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- CTP8 - Transatlantic Divide on ESG: Approaches and Implications – SID
- Climate Governance Singapore Forum 2025 – conducted by SID
- CTP15 - Growth and Impact with Advisory Boards – conducted by SID
- Cyber Crisis Simulation Training for Directors – conducted by SID
- Nominating and Remuneration Committee Seminar 2025 – conducted by SID
- CTP 17: Driving Impact Through Board-Management Alignment – conducted by SID
- PSP 5 - Innovating with Assurance: Governing AI Risks through the ARC – conducted by SID
- Workshops on Sustainability Reporting – Applying the IFRS Sustainability Disclosure Standards conducted by ISCA
- ISCA Webinar on Whistleblowing – conducted by ISCA
- SID Webinar on Sustainability – conducted by SID
- SID Webinar on Navigating D&O Insurance - conducted by SID
- SID Webinar on Transatlantic Divide on ESG - conducted by SID
- IBF Webinar on Quant + AI - conducted by Institute Banking and Finance Singapore (“IBF”)
- WSQ Gen AI Course - Conducted by Workforce Skills Qualifications.
- Governance and Best Practices for Listed Issuers in Handling Loans and Lending Arrangements – conducted by The Hong Kong Chartered Governance Institute (“HKCGI”)
- CGS 1 - A Director’s Guide for Navigating Climate Change – conducted by SID
- Directors & Officers Insurance in Operation (CPDB127CS) – conducted by HKCGI
- Directors’ Duties under the Listing Rules – Refresher and Recent Developments (Hybrid-Online Attendance) – conducted by HKCGI
- Practical Considerations in Resolving Shareholders Disputes in HK and BVI - conducted by HKCGI
- CGS 1 - A Director’s Guide for Navigating Climate Change - conducted by SID
- SFC Enforcement Insights: INEDs’ Roles and Responsibilities - conducted by HKCGI
- Alternative Dispute Resolution: In-depth Comparison Between Mediation and Arbitration - conducted by HKCGI
- Navigating the Latest Regulatory Landscape: Enforcement Trends and Proactive Measures conducted by HKCGI
- Listed & Learnt: Case Studies of Long-term Suspension and Practical Considerations in Forensic Investigations – conducted by HKCGI
- Family Disputes: Key Trends and Pre-emptive Measures – conducted by HKCGI
- The Evolving HR Compliance Landscape – Abolition of MPF Offsetting Arrangement – conducted by HKCGI
- Understanding Hong Kong Profits Tax: Essential Insights for Company Secretaries – conducted by HKCGI
- Recent Developments in the Cayman Islands, Bermuda, and BVI & Practical Guidance for Reorganisation and Re-domiciliation – conducted by HKCGI

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- Stablecoins: Opportunities and Regulations – conducted by HKCGI
- Recent Updates on Rules and Regulations: Practical Insights to Persons Responsible for Compliance of Listed Companies – conducted by HKCGI
- Navigating A-then-H Listings: A Practical Guide to Dual Listings in Hong Kong - conducted by HKCGI
- Critical Matters for Running Annual General Meetings - Requirements and Best Practices - conducted by HKCGI

Newly appointed Directors will be provided with a formal letter upon appointment, setting out their commitments, fiduciary duties and obligations, including their specific roles. New directors also undergo comprehensive orientation programme to familiarise themselves with the Group's business, operations, organisational structure, and corporate policies. They will be informed of the Board and Company policies and regulatory disclosure requirements. They are also briefed on the Company's corporate governance practices and regulatory environment to assimilate them into their new roles. The orientation programmes are conducted by senior management and, will allow the new Director to get acquainted with senior management, thereby facilitating board interaction and also independent access to the senior management. In order to provide a new Director with a better understanding of the Group's business and operations, senior management will arrange site visits for those new Directors to the Group's operating entities as part of the orientation programme.

Pursuant to LR 210(5)(a), Directors who have no prior experience being a director of a listed company in Singapore, are required to attend Mandatory training courses organised by the Singapore Institute of Directors ("SID"). All Directors attended the one-time training on sustainability matters as prescribed by the SGX-ST.

All directors are required to declare their board representations. When a director has multiple board representations, the NC will consider whether the director is able to adequately carry out his duties as a director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

All Directors have separate and independent access to Management, other KMP, independent auditors and the Company Secretary, via telephone, e-mail and meetings. Any cost of obtaining professional advice will be borne by the Company.

The Company Secretary and/or his representative attends all scheduled meetings of the Company and prepares the minutes of meetings. He is responsible for, among other things, ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The decision to appoint or remove the Company Secretary is made by the Board as a whole.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Throughout the majority of FY2025, the Board was constituted by two Executive Directors and three Independent Directors. This composition aligns with Provision 2.2 of the Code, ensuring that Independent Directors form the majority of the Board, particularly when the Chairman does not qualify as independent. The Board has an appropriate balance of skills, knowledge and experience, empowering it to render independent and objective decisions regarding the corporate affairs of both the Company and the Group. Annually, the Board, with the support of the NC, evaluates its size and composition to ascertain what is deemed optimal for maintaining the Group's competitiveness and proficiency. In adherence to the Code, and considering the specific needs of the Group's primary business sectors, as well as the industry dynamics, the NC concludes that the current Board composition effectively facilitates expedient decision-making without undue disruption from alterations within the Board and its Committees. This ensures no single individual or faction has disproportionate influence over the Board's decision-making process.

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The NC also reviews the independence of each Independent Director annually with reference to the Code's definition of what constitutes an Independent Director and any other salient factors. The Independent Directors, namely Messrs CHIA Seng Hee, YAP Tong Teck and ENDO Mamoru, have confirmed that they and their family members do not have any relationship with the Company or its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interest of the Company. The Independent Directors have also confirmed that they do not have any relationship with the Company or its related companies as set out under LR 210(5)(d)(i) and 210(5)(d)(ii) other than those as set out in the Directors' Interests in Shares and Debentures in Directors' Statement on page 102. The NC has reviewed and is satisfied that there are no relationships which would deem any of the Independent Directors not to be independent during FY2025. Directors must immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence. This ensures that the Independent Directors continually meet the stringent requirements of independence under the Code.

The Independent Directors of the Company actively participate in debating, questioning and evaluating proposals by Management and/or actions to be taken, has continuously demonstrated strong independence in character and judgement over the years and there are no relationships or circumstances which affect or likely to affect their judgements and abilities in discharging their duties and responsibilities as Independent Directors. Their presence as independent members of the Board ensure effective oversight on compliance and good corporate governance.

The Board is dedicated to ensuring a balanced mix of expertise, skills and attributes among the Directors, which helps mitigate groupthink and allows the Company to maximize the diverse talents available. In reviewing Board composition and succession planning, the NC considers various aspects of diversity, including backgrounds, gender, experience, age, and the competencies of our Directors. These competencies range from finance and accounting to key industry knowledge, as well as entrepreneurial and management experience. To maintain and enhance this balance and diversity, the NC conducts an annual review of the Board's size, composition, and the roles of Board Committees. This review assesses the effectiveness of the Board in fulfilling its responsibilities. Additionally, the NC identifies gaps in the mix of skills and experiences and recommends suitable candidates to fill these gaps. This structured approach benefits the Company and Management, as discussions with the Board are enriched by the wide range of perspectives and experiences of our Directors, fostering an effective exchange of ideas. The NC is confident that there is an appropriate balance of expertise and skills within the Board, which collectively brings forth a diverse array of complementary competencies and experiences. A summary of the academic and professional qualifications and other appointments of each Director is set out on page 19 to page 21 of this Annual Report.

Commencing 1 January 2022, the Company is required to maintain a Board Diversity Policy ("**BDP**") as mandated by SGX-ST. Following the NC's recommendation, the Board has implemented a BDP. Under this policy, the NC commits to identifying potential new Board members who bring expertise in key areas such as legal matters, cybersecurity risk, sustainability knowledge, investment, and business experience, particularly targeting regions where the Group operates or invests, with a goal set for 2025. The Board has directors who have expertise covering legal matters, investment, business and financial management. The Board acknowledges the gender diversity as a key facet of its broader diversity strategy and aim to appoint a qualified female director within the forthcoming year. However, the Board is collectively of the view that it should not be considered as a prioritised requirement of selection of potential candidate. The right blend of skills, industry knowledge, relevant experiences, suitability shall remain as priority. The Board, with the assistance of the NC, will consider the composition and balance of the Board, taking into account of gender, skills and experience and other relevant aspects of diversity.

The Company is dedicated to fostering diversity within its Board, recognizing it as crucial for achieving strategic goals and ensuring sustainable growth. By embracing diversity, the Board ensures a multiplicity of perspectives, facilitating more robust discussions between the Board and Management, ultimately enhancing the Company's performance and outcomes.

CORPORATE GOVERNANCE REPORT

The Independent Directors, who are also Non-Executive Directors, make up a majority of the Board. They constructively review and assist in the development of proposals on strategy and assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitoring the reporting of performance and operations (through budget reports for example) as an appropriate check and balance. The Independent Directors had met once during FY2025 without the presence of Management to discuss concerns or matters, such as effectiveness of Management. The Chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

Principle 3: Chairman and Chief Executive Officer (“CEO”)

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr KATO Tomonori is the current Chairman of the Board (“**Chairman**”) and CEO of the Group.

The Board is of the view that its accountability and decision-making has not been compromised even though Chairman and CEO is the same person. With majority of the Board being independent, there is a sufficient element of independence and adequate safeguards against a concentration of power to one single person.

The single leadership structure adopted by the Group is to ensure that the decision-making process of the Group would not be unnecessarily hindered, with such structure approved by the Board following rigorous and thorough consideration. The Board is satisfied that one person is able to effectively discharge the duties of both positions.

The Chairman of the Board leads and ensures effectiveness across the Board in all aspects. These include achieving and maintaining high standards of the corporate governance with the support of the Board, Management and Company Secretary, setting the board meeting agenda in consultation with Executive Directors and Management, and ensuring that adequate time is set for discussion of all items on the agenda, in particular strategic issues. The Chairman reviews most board papers before they are presented to the Board and oversight as to whether Board members are provided with adequate and timely information. The Chairman also encourages active participation and contribution from all Directors and promotes a culture of openness and debate of the Board. He steers productive discussions between the Board and Management as well as ensures effective communications with Shareholders and other stakeholders.

The CEO is responsible for (i) the formulation of the overall business and corporate policies and strategies of the Group; (ii) oversight of the day-to-day management of the business and operations of the Group; and (iii) leading the Group’s business development strategies and efforts.

Mr CHIA Seng Hee is the Lead Independent Director of the Company to provide leadership in situations where the Chairman is conflicted and to provide a Non-Executive perspective and contribute to a balanced viewpoint on the Board. He also acted as a principal liaison between the Independent Directors and the Chairman as and when required. Before every Board meeting, the Lead Independent Director will meet with the Chairman to brief him on the key items for discussion at each of the ARC, NC, and RC meetings, where applicable. The Lead Independent Director is available to address any Shareholder concerns for which contact through normal channels with the Chairman, CEO or Management is inappropriate or inadequate. The Lead Independent Director also has the authority to call and lead meetings of the Independent Directors (without the presence of Management) whenever necessary, and to provide feedback to the Board and/or Chairman after such meetings.

No query or request on any matter which requires the Lead Independent Director’s attention, was received from shareholders in FY2025.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

Currently, the NC comprises of Mr YAP Tong Teck (Chairman of the NC), Mr CHIA Seng Hee and Mr ENDO Mamoru. All members of the NC are Independent Directors.

According to the written TOR of the NC that has been approved by the Board, responsibilities of the NC, include but is not limited to, the following:

- a) To review, assess and make recommendations to the Board on the appointment and re-appointment of Directors (including alternate directors, if applicable) including making recommendations on any changes to the composition of the Board or Board Committees generally;
- b) To regularly review and make recommendations to the Board on the structure, size and composition of the Board and Board Committees, having regard to the scope and nature of the operations, requirements of the business, diversity of skills, experience, gender and knowledge of the Company and the core competencies of the Directors as a group;
- c) To review, assess and recommend nominee(s) or candidate(s) for appointment or election as Directors to the Board having regard to their competencies, commitment, contribution, performance and independence;
- d) To conduct succession-planning, in particular, the appointment and/or replacement of the Chairman, the CEO and KMP;
- e) To determine annually if a Director is independent having regard to the circumstances set forth in the Listing Rules of the SGX-ST and the Code;
- f) To decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly where a Director has multiple board representations, and/or other principal commitments;
- g) To recommend to the Board guidelines to address any competing time commitments faced by Directors who serve on multiple boards and to determine the maximum number of listed company board representations to be held by each Director; and
- h) To review the training and professional development programs for the Board and its Directors.

The responsibilities of the NC are, among other things, to make recommendations to the Board on all Board selection, appointment and re-appointment and/or changes to the composition of the Board and Board Committees and oversee the Board and succession and leadership development plans of the KMP. The NC first seeks to identify the competencies required to enable the Board or such Board Committee to effectively discharge its responsibilities. For new appointments, the NC, with suggestions from the Board and Management, identifies the essential and desirable competencies for the particular appointment and if necessary, seek external channels to source for potential candidates. The NC then meets the short-listed candidates to assess their suitability and communicate the expectations and the level of commitment required of them. The recommendations are then put forth to the Board for its review and approval.

In recommending a Director for re-election to the Board, the NC considers, inter alia, the Director's performance and contributions to the Board (including attendance and participation at meetings, and time and effort accorded to the Group's business and affairs). Pursuant to Bye-law 104 of the Company's Bye-laws, every Director shall retire from office once every three (3) years. The Company's Bye-laws provides that at least one-third (1/3) of the Directors shall retire from office and subject themselves to re-election by Shareholders at every annual general meeting of the Company ("**AGM**").

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Pursuant to Bye-law 104, Mr YAP Tong Teck and Mr ENDO Mamoru will be retiring at the Company's forthcoming AGM and the NC has reviewed and recommended their re-election at the AGM.

The Board has accepted the recommendation of the NC. The Board's comments on the re-election of Mr YAP Tong Teck and Mr ENDO Mamoru are provided in the "Additional Information on Re-election of Directors" section of this Annual Report as set out on page 94 to page 100.

Each member of the NC had abstained from deliberating and voting on any resolution in respect of the assessment of his re-election as Director.

The NC's guideline adopted by the Board for the number of directorships in listed companies held by any Board member should not exceed five (5). As at the date of this report, none of the current Directors hold more than five (5) directorships in listed companies. The NC has reviewed the time spent and attention to the Company's affairs, taking into account the multiple directorships and principal commitments of each Director and is satisfied that all Directors are able to diligently discharge their duties adequately for FY2025.

The Board takes a view that the reasons for any appointment of an alternate director will be evaluated and such reasons must be justifiable before any alternate director is appointed. There is no alternate director being appointed by the Board for FY2025.

Key information regarding Directors as set out pursuant to Provision 4.5 of the Code is detailed on page 19 to page 21 of this Annual Report.

The Board believes in carrying out succession planning for itself and the KMP to ensure continuity of leadership. In this regard, the NC reviews the composition of the Board and Board Committees, which includes size and mix, and recommends to the Board the selection and appointment of new Directors, whether as an addition to the current Board members or as replacement of retiring Directors, with the intention of identifying any gaps in the Board's skill sets considering the Group's strategic priorities and the factors affecting the long-term success of the Group.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board, through the NC, has established a formal evaluation process for assessing the effectiveness of the Board as a whole, the Board Committees and its individual Directors. The Board believes that such process is integral to effective stewardship and the long-term success of the Company.

The Company has adopted a formal evaluation process. Each year, the Board assesses its effectiveness as a whole through the completion of a series of questionnaires and recommendations for improvement, if any, by each individual Director. The NC collates the results of these questionnaires and formally discusses these results collectively with other Board members to address any areas for improvement.

The Board appraisal process focuses on a set of performance criteria such as the evaluation of the size of the Board and composition of the Board; the Board's access to information; Board processes and accountability; Board effectiveness; Board standards of conduct and financial performance indicators; peer evaluations as well as the contribution of each Director to the effectiveness of the Board. The appraisal process for individual Directors focuses on the areas of interactive skills, knowledge and director's duties, including taking into account each Director's contribution in Board Committee meetings. The Board is of the view that this set of performance criteria allows for appropriate comparison and addresses how the Directors have enhanced long-term Shareholders' value. To ensure that the assessments were done promptly and fairly, the Board had appointed the Company Secretary to assist in collating and analysing the responses of the Directors. There was no external facilitator involved in the Board evaluation process in FY2025. When relevant and when the need arises, NC will consider such engagement.

For FY2025, the performance evaluation yielded positive results. The Board as a collective entity, alongside its respective Committees, the Chairman, and each Director individually, achieved commendable scores in all evaluated areas, underscoring their effective contribution and commitment across various dimensions of governance.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration Committee

Currently, the RC comprises of Mr ENDO Mamoru (Chairman of the RC), Mr CHIA Seng Hee, Mr YAP Tong Teck, all of whom, including the RC Chairman are independent.

According to the written TOR of the RC, that has been approved by the Board, the responsibilities of the RC, include but is not limited to, the following:

- a) Review and recommend to the Board a remuneration framework for the Board and KMP;
- b) Review and recommend to the Board the specific remuneration packages and terms of employment for each Director and each KMP in the Group;
- c) Carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors;
- d) Review the following:
 - (i) that no Director or KMP is involved in deciding his/her own remuneration;
 - (ii) that all aspects of remuneration, including termination terms are fair and avoiding rewarding any poor performance;
 - (iii) to review the Company's obligations arising from any termination of Executive Directors and KMP to ensure that their respective service contracts contain fair and reasonable termination clauses;
 - (iv) an appropriate level and structure of remuneration for the Board and all KMP; and
- (e) the remuneration packages of employees related to Executive Directors, CEO (if CEO is not a director) and substantial or controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibility.

The RC has in place a remuneration framework for the Board and KMP covering all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, share-based incentives schemes, benefits-in-kind and termination terms. The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively whereas the remuneration of KMP is determined at a level which enables the Group to attract, develop and retain high-performing and talented individuals with the relevant experience, level of expertise and level of responsibilities. All remuneration matters are ultimately approved by the Board. Each RC member does not participate in discussions, and abstains from decision-making pertaining to his remuneration, compensation, options and any form of benefits. Similarly, no Director is involved in deciding his own remuneration.

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The RC may engage external remuneration consultants to seek guidance on appropriate remuneration standards. There being no specific necessity, the RC did not engage any remuneration consultants for FY2025. When relevant and when the need arises, RC will consider engaging an independent external firm.

To ensure that the remuneration packages of the Company's Directors (including Independent Non-Executive Directors) and KMP remain competitive and are in line with industry standards, the Company conducts market survey of the compensation packages of executives in similar industries or companies listed in Singapore and Hong Kong approximately once in every two (2) years, or at other appropriate intervals depending on circumstances, for the purpose of benchmarking.

The key considerations taken by the RC in recommending the right level structure of remuneration for the Board and all KMP are:

- i. significant and appropriate proportion of Executive Directors' and KMP's remuneration should be structured so as to link rewards to corporate and individual performance, and the performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company;
- ii. that the remuneration of Independent Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as effort, time spent and responsibilities, and to ensure that Independent Non-Executive Directors are not compensated to the extent that their independence may be compromised; and
- iii. remuneration is appropriate and proportionate to the sustained performance and value creation of the Company, bearing in mind the Group's strategic objectives.

The Company has implemented formal and transparent procedures and policies in relation to executive remuneration and for determining the remuneration packages of individual Directors. Directors' fees are subjected to shareholders' approval at the AGM. The fees for the financial year in review are determined in the previous financial year, proposed by the Management and submitted to the RC for review and thereafter recommended by the Board to the shareholders for approval at the annual general meeting of the Company.

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

In order to maximise Shareholders' value and promote the long-term success of the Group, the Company seeks to attract, retain and motivate the Directors, Management and employees by offering competitive remuneration packages. The remuneration of Management and employees is set based on, inter alia, each individual's scope of responsibilities and prevailing market conditions. The Company rewards Management and employees based on achievement of individual performance objectives using indicators such as competencies, key result areas, performance ratings and the Group's financial performance. The Board is of the view that performance-based remuneration will motivate Management and employees to achieve superior performance and promote the long-term growth of the Group.

The Board believes in a competitive and transparent remuneration framework and the remuneration paid to the Directors and KMP for FY2025 is set out below:

CORPORATE GOVERNANCE REPORT

DIRECTOR'S REMUNERATION

Name of Directors (Remuneration in SG\$)	Salary	Benefits- in-kind	Directors' Fees	Performance bonus	Share options
KATO Tomonori (SG\$524,093)	90%	8%	-	2%	-
CHEUNG Chi Ming (SG\$366,887)	86%	14%	-	-	-
CHIA Seng Hee (SG\$90,000)	-	-	100%	-	-
YAP Tong Teck (SG\$55,000)	-	-	100%	-	-
ENDO Mamoru (SG\$55,000)	-	-	100%	-	-

Remuneration of Key Executives Officers and KMP (not being Directors)

Remuneration band, Name of Key Executive Officers and KMP	Salary	Benefits- in-kind	Directors' Fees	Performance bonus	Share options
SG\$500,000 to SG\$749,999					
CHAN Kam Wah	78%	11%	-	11%	-
SG\$250,000 to SG\$499,999					
KONO Isao	82%	-	-	18%	-
Below SG\$250,000					
YOSHIKAWA Makoto	100%	-	-	-	-
SHINJO Kunihiro	100%	-	-	-	-
GUI Ling	67%	26%	-	7%	-
TAKAHASHI Takao	90%	10%	-	-	-
IMAI Junya	100%	-	-	-	-
OCHI Shinichi	100%	-	-	-	-

In order not to hamper the Company's efforts to retain and nurture its talent pool and given the highly competitive conditions in the industry where poaching of KMP is commonplace, the Company is disclosing the remuneration of the KMP who are not Directors in bands of SG\$250,000 and is not disclosing the aggregate total remuneration paid to the top five KMP. The total remuneration paid to the above KMPs for FY2025 was approximately SG\$1,311,000.

The Company has a formal and transparent remuneration policy to determine the remuneration packages of the individual Directors and KMP.

The Company has entered into service agreements with the CEO and all Executive Directors. The terms of the appointment are for five (5) years each and subject to annual reviews, unless otherwise terminated by either party giving not less than three (3) months' written notice. Their compensation packages consist of fixed salary, bonus, and performance-related incentives linked to the financial performance of the Group and the individual's performance, which is assessed based on the respective key performance indicators allocated to them.

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Under the terms of their service agreements, each of the Executive Directors is entitled to an incentive bonus based on, inter alia, the financial performance of the Group and his individual performance for that year. The terms of the Executive Directors' service agreements and their remuneration packages are subject to review by the RC.

Save for compliance with local laws and regulations pertaining to any mandatory termination and retirement benefits in the jurisdiction in which each Director or KMP is employed, there are no termination or retirement benefits that are granted to the Directors or KMP.

Having reviewed and considered the variable components of the Executive Directors and KMPs, which are moderate, the RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and KMPs in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

SGX has recently amended its Listing Rule on remuneration disclosures and this amendment will take effect for annual reports prepared for financial year ending on or after 31 December 2024, where the Company is required to disclose the exact amount and breakdown of remuneration paid to directors and the CEO in the annual report. The Company have made the appropriate disclosures above.

During FY2025, Mr YOSHIMI Koichi, son of Mr YOSHIMI Kunikazu, the substantial shareholder of the Company, was remunerated between SG\$200,000 and SG\$250,000. There were no other employees of the Group who are immediate family member of a Director, the CEO or a substantial shareholder of the Company and whose remuneration exceeded SG\$100,000 during FY2025.

Employee Share Schemes

On 22 June 2018, the Company had adopted a new share option scheme known as CDW Employee Share Option Scheme 2018 ("**ESOS 2018**") and a new share performance scheme known as CDW Holding Share Performance Scheme 2018 ("**SPS 2018**"). The ESOS 2018 and the SPS 2018 comply with the relevant rules as set out in Chapter 8 of Listing Rule of the SGX-ST. The ESOS 2018 and the SPS 2018 provides eligible participants as defined in the Company's circular dated 6 June 2018 with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The ESOS 2018 and the SPS 2018 are administered by the committee comprising three (3) directors who are members of RC. Details of the ESOS 2018 and the SPS 2018 can be found in the Company's circular dated 6 June 2018.

For financial year ended 31 December 2019, 7,250,000 shares options had been granted on 21 August 2019 pursuant to ESOS 2018, details of which can be found on page 102 to page 104 of this annual report. No shares options and performance shares have been granted during FY2025.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board has overall responsibility for the governance of risk while the ARC is tasked to oversee the Group's risk management framework and system of internal controls in FY2025. The framework and systems are put in place by Management to identify risks and document counter measures implemented to mitigate any identified risks in the Group's businesses so as to safeguard Shareholders' interests and the Group's assets.

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework but recognises that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable but not absolute assurance against the occurrence of material errors or poor judgement in decision making.

CORPORATE GOVERNANCE REPORT

Given that the ARC reports directly to the Board, the Board has an oversight of the risk framework and system of internal controls in FY2025. ARC, as part of the efforts to strengthen its risk management processes and framework in overseeing the Company's risk assessment of potential investments, is to determine the type and level of business risks that the Company undertakes on an integrated basis to achieve its strategic objectives and value creation and to manage risks via the frameworks and policies in place that are consistent with the Company's risk appetite. ARC acted as a progressive step to minimise risks and loss attributable to the proposed or potential investments. Members of the ARC for FY2025 were Mr CHIA Seng Hee (Chairman of the ARC), Mr YAP Tong Teck and Mr ENDO Mamoru. All members of the ARC are Independent Non-Executive Directors.

Management identifies potential risks, including financial, operational, compliance, information technology and sanctions-related risks and ensures that sufficient and appropriate controls are in place to manage these risks. Such controls are monitored by the Board regularly and reviewed at least annually for its adequacy and effectiveness. All major risks and the suggested counter measures to mitigate such risks are analysed by Management and documented in the Group's risk register and discussed with the Board at the quarterly meetings. The risk management framework is intended to provide reasonable assurance against material financial misstatements or loss, and safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risks.

Management will review and adjust its business and operational activities, if necessary, where it identifies areas of significant business risks as well as taking appropriate measures to control and mitigate these risks. Management, on a continuous basis, reviews all significant control policies and procedures and highlights all significant matters to the Board. Management does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, Management can make more informed decisions and benefit from a better balance between risk and reward. This will help protect and create Shareholders' value.

In FY2025, the ARC also reviewed the adequacy and effectiveness of the Company's internal controls and risk management systems and procedures put in place by Management, taking into consideration internal control issues highlighted by the internal auditors and external auditors during the year as well as measures taken by Management in response to these control issues. The Board is of the view that the Company's internal controls and risk management system and processes are sufficient to meet the needs of the Company in its current business environment.

The Board has also received written assurances from the CEO and the CFO that for the FY2025 on the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and written assurances from the CEO and other KMP were also received on the Group's risk management and internal controls systems are adequate and effective.

Based on the internal controls (including financial, operational, compliance, information technology controls and sustainability) established and maintained by the Group, the Board, after taking into consideration the work performed by external and internal auditors, the actions taken by Management, the current risk management framework in place, the on-going review and continuing efforts at enhancing controls and processes, with the concurrence of the ARC, is of the opinion that the risk management and internal control systems maintained by the Group is adequate and effective to address financial, operational, compliance and information technology risks and meet the needs of the Group in providing reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of business risks.

The Board and the ARC are also responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any Sanction Law; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. The Company will inform Shareholders on any sanction-related risks on the Company, the impact on such risk on the financials and operations of the Group, if any, and also the cessation of sanctions-related risk via announcement to SGXNet.

CORPORATE GOVERNANCE REPORT

Management will continue to review and strengthen the control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls to adequately perform its functions.

Principle 10: Audit and Risk Committee (“ARC”)

The Board has an Audit and Risk Committee which discharges its duties objectively.

Members of the ARC for FY2025 were Mr CHIA Seng Hee (Chairman of the ARC), Mr YAP Tong Teck, and Mr ENDO Mamoru. All members of the ARC are Independent Non-Executive Directors., Each member of the ARC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The Board is of the view that each member of the ARC, including the ARC Chairman, possesses invaluable managerial and professional expertise in the fields of accounting and/or financial management, essential for fulfilling their duties effectively. Specifically, the Board recognises Mr CHIA Seng Hee as having sufficient financial, accounting and business management knowledge to discharge his responsibilities as Chairman of the ARC. Mr CHIA Seng Hee is a fellow member of the Institute of Singapore Chartered Accountants. Additionally, Mr YAP Tong Teck’s background in investment and financial management, combined with his extensive experience, and Mr ENDO Mamoru’s legal expertise as a partner lawyer of Nexpert Law Office in Japan, contribute significantly to the ARC’s capabilities. Upon evaluation, the Board concludes that all members of the ARC have equipped with the requisite expertise to perform their responsibilities with efficiency and objectivity.

For FY2025, the ARC does not comprise of any former partners or directors of RSM SG Assurance LLP or RSM Hong Kong (collectively “RSM”), the Company’s external audit firm and none of the ARC members hold any financial interest in the external audit firm.

According to the written TOR of the ARC, that has been approved by the Board, the responsibilities of the ARC, include:

- (a) To review the audit plans and reports of the external auditors and internal auditors and consider the effectiveness of actions taken by Management on the recommendations and observations.
- (b) To review the assistance given by the Group’s officers to the external auditors and internal auditors.
- (c) To meet with the external auditors and internal auditors without the presence of Management, at least annually to discuss any issues they may have (including any suspected fraud or irregularity, or suspected infringement of any applicable laws, rules or regulations, which has or is likely to have a material impact on the Company’s and Group’s operating results or financial positions, and Management’s response thereof).
- (d) To review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company’s financial performance.
- (e) To review and report to the Board at least annually, the adequacy and effectiveness of the Company’s risk management and internal control systems and provide concurrence to the Board’s comments on the adequacy and effectiveness of the same (including financial, operational, compliance and information technology controls) in the Company’s Annual Report.

Where material weaknesses are identified by the ARC, to provide clear disclosure on the weaknesses and the steps taken to address them.

- (f) To review the assurance from the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) on the financial records and financial statements.
- (g) To review the audited financial statements of the Company and consolidated financial statements before approval by the Board.

CORPORATE GOVERNANCE REPORT

- (h) To review and advise the Board in formulating its risk policies, including the parameters for risk assessment and methodology to be adopted.
- (i) To oversee and advise Management in the design, implementation and monitoring of the risk management and internal control systems.
- (j) To determine the nature and extent of risks which the Company is willing to take in achieving its strategic objectives and value creation.
- (k) To develop and guide the Board to establish a process to effectively identify and manage the implications of risk tolerance in internal controls and strategic transactions that is or will be undertaken by the Company.
- (l) To oversee and advise the Board on the current risk exposures, overall risk tolerance, and overall risk strategy of the Company.
- (m) To annually review the adequacy and effectiveness of the Company's risk management and internal control systems, including the overall risk assessment processes to ensure that a robust risk management system is maintained.
- (n) To review periodically the risk limits established by the Company and where applicable, report on any material breach of such limits and the adequacy of proposed action(s) to be taken, and if necessary, make recommendations on further action to be taken.
- (o) To recommend to the Board the statements to be included in the Company's annual report concerning the adequacy and effectiveness of the Company's internal control and risk management systems.
- (p) To monitor and ensure the independence of the risk management functions throughout the organization.
- (q) To review and monitor Management's responsiveness to its findings and proposed mitigating efforts undertaken by Management.
- (r) To advise the Remuneration Committee on risk weightings to be applied to executives' performance objectives, where incorporated.
- (s) To undertake such review on all investment proposals from the Investment Committee prior to recommendation to the Board for approval.
- (t) To report to the Board its findings from time to time on matters arising and requiring the attention of the Committee.
- (u) To review interested person transactions.
- (v) To oversee the design and implementation of the Company's sustainability policies and practices addressing material Environmental, Social and Governance ("ESG") factors material to the Company's business, including the review of the Company's disclosures in its sustainability report annually.
- (w) To approve the hiring, removal, evaluation and compensation of the Head of the Internal Audit function, or accounting/auditing firm or corporation if the internal audit function is outsourced. The ARC shall ensure that internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company.
- (x) To ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience. The ARC shall also ensure that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies.

CORPORATE GOVERNANCE REPORT

- (y) To make recommendations to the Board on: (i) proposals to shareholders on the appointment and removal of the external auditors; and (ii) the remuneration and terms of engagement of the external auditors. In respect of appointment and re-appointment of external auditors, the ARC should evaluate the performance of the external auditors, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority (“ACRA”).
- (z) To review annually the adequacy, effectiveness, independence, scope and results of the external audit and the Company’s internal audit function.
- (aa) To undertake such other functions and duties as may be required by statutes or the Listing Manual, and by such amendments made thereto from time to time.
- (ab) To review the policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up the Company publicly disclose and clearly communicate to employees, the existence of a whistleblowing policy and procedures for raising such concerns.
- (ac) To undertake such other reviews and projects as may be requested by the Board.

Apart from the duties listed above, the ARC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or infringement of any Singapore and other applicable law, rule or regulation which has or is likely to have material impact on our Company’s operating results and/or financial position.

The ARC meets at least quarterly during FY2025 and also holds informal meetings and discussions with Management from time to time. The ARC has full discretion to invite any Director or executive officer to attend its meetings. The external auditor was also present at the relevant junctures. In its review of the audited financial statements for FY2025, the ARC discussed with Management and external auditors the audit work performed and accounting principles applied. The following significant matters impacting the financial statements were discussed with Management and external auditors and were reviewed by the ARC:

Significant matters	How the ARC reviewed these matters and what decisions were made
<u>Impairment assessment of goodwill</u>	The ARC considered the approach and methodology applied to the impairment assessment of goodwill as at the end of the financial year. It reviewed the reasonableness of the goodwill, appropriateness of the valuation methodologies used and also the inputs utilised in the calculation of the recoverable amount of the CGU which the goodwill has been allocated. The external auditors have included this item as a key audit matter in its audit report for FY2025. Please refer to page 107 of this Annual Report.
<u>Impairment assessment of trade receivables</u>	The ARC considered the approach and methodology applied to the impairment assessment of trade receivables when indicators of impairment are identified. It reviewed ageing of the trade receivables, historical collection patterns, existence of any disputes, trading history with customers and other available information concerning the creditworthiness of customers. The impairment assessment of trade receivables was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for FY2025. Please refer to page 108 of this Annual Report.

The ARC has been given full access to and is provided with the co-operation of the Company’s management. In addition, the ARC has independent access to the external auditors. The ARC has adequate resources to enable it to discharge its functions properly.

CORPORATE GOVERNANCE REPORT

RSM was appointed as the external auditors of the Company and the Group on 28 December 2021 and was last re-appointed on 29 April 2025. Where the preparation of audited financial statements is required, all such Company's principal subsidiaries are audited by RSM. The Group is in compliance with Rule 712 and Rule 715 of LR.

The ARC has reviewed, amongst others, the independence of the external auditor, the standard of work, the quantum of fees for its non-audit services provided to the Group and the external auditor's confirmation of its independence. The ARC has reviewed the volume of non-audit services to the Group by the external auditors and is satisfied that the nature and extent of such services do not prejudice the independence and objectivity of the external auditors. There were no non-audit fees and the aggregate amount of fees for audit paid to external auditors for FY2025 can be referred to page 159 of this Annual Report. Taking into consideration the foregoing, ARC is pleased to recommend the re-appointment of the external auditors for the financial year ending 31 December 2026.

The ARC meets with its external and internal auditors without the presence of Management at least once a year.

The ARC is kept abreast of the changes to accounting standards and issues which may have a direct impact on financial statements through updates provided by the external auditors or briefings from the Company's finance function during ARC meetings.

Whistleblowing Framework

The Group acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality, and accountability in the conduct of its business and affairs in its workplace. The Group has an established whistleblowing policy that provides a channel for the Group's employees and third parties, to raise any concerns about possible improprieties or irregularities in matters of financial reporting, fraudulent acts in confidence and good faith, without fear of reprisals in any form. All whistleblowing matters fall under the purview of the ARC which ensures that adequate measures are in place to carry out independent investigations of such matters and appropriate follow up actions. The Group is committed to ensure the protection of the whistleblower against detrimental or unfair treatment and shall fully maintain the confidentiality of the whistleblower(s) reasonably practicable within the legitimate needs of the law and any ensuing evaluation or investigation. The link to lodge concerns can be found on the Company's website: <https://www.cdw-holding.com.hk>.

No reports were made during the year in review until the date of this Annual Report.

Internal Audit

The Company has an internal audit department and the ARC is satisfied that the internal audit function, staffed with persons with who are suitably qualified and experienced professionals possess the relevant experience to carry out the internal audit functions of the Group. The internal auditor is a member of the Institute of Internal Auditors ("IIA") and has adopted the Standards for the Professional practice of Internal Auditing (IIA Standards) laid down in the International Professional practices Framework issued by the IIA. The internal auditors report primarily to the Chairman of the ARC and administratively to the CEO. Any hiring, removal, evaluation and compensation of the head of the internal audit is decided by the ARC. The focus of the internal audit function is to strengthen the internal control structure and risk management of the Group through the conduct of independent and objective reviews. The internal audit function has unfettered access to the Group's documents, records, properties and personnel, including the ARC, and has an appropriate standing within the Company.

The internal audit team adopts the principles and methodologies of the Institute of Internal Auditors, USA, and is provided with training where appropriate. The internal audit team carries out the internal audit functions by company in accordance with approved internal audit plan which normally has duration of two (2) to three (3) years. Each company of the Group will be covered and subject to internal audit review and testing at least once (1) during the cycle of the internal audit plan. The ARC reviews the internal audit team's scope of work on an annual basis, and the internal audit team's quarterly internal audit reports with monthly progress reports submitted to the ARC, as well as the adequacy and effectiveness of the internal audit function annually.

CORPORATE GOVERNANCE REPORT

The Company's internal auditors conduct tests of the Company's internal controls, including financial, operational and compliance controls systems maintained by Management (collectively, "internal controls"). The internal audit plan for each year is developed taking into consideration the risks of each processes. Any material non-compliance or failures in internal control, and recommendations for improvements, are reported to the ARC.

In 2011, the Company engaged an external qualified professional, Protiviti Hong Kong Co., Limited ("Protiviti") under the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, to perform an external quality assessment ("EQA") of its internal audit function at least once (1) in every five (5) years and to make recommendations in formulating the risk based internal audit approach and strategy to cover all high risk areas. In this regard, the ARC had recommended to the Board and Management to adopt and implement its recommendations. Consequently, the internal audit team worked with the Management to implement the recommendations to the satisfaction of ARC. Based on the aforementioned review of the internal audit function, subsequent follow up on recommendations and review of the internal audit scope of work and reports, the ARC is satisfied that the internal audit function is effective, adequately resourced and has appropriate standing within the Group. Pursuant to Rule 1207(10C), the ARC had assessed and is satisfied with the adequacy, effectiveness independence, scope and results of the Company's internal audit function. The primary role of the IA function is to assist the Board and Management to meet the strategic and operational objective of the Group, by providing an independent and objective evaluation of the adequacy and effectiveness of the risk management, internal controls and governance processes. The weaknesses that were identified for the year under review and measures have been or are being taken to address these weaknesses.

During FY2025, the IA performed reviews on the areas of subcontractor management, property, plant and equipment management, and new business project management of the subsidiary companies.

In addition, the Group's external auditors will highlight internal control issues that come to their notice during the conduct of their normal audit procedures which are designed primarily for the purpose of expressing their opinion on the financial statements and these issues and their recommendations are reported to the ARC, if any.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company is committed to treating its shareholders fairly and equitably. It is mindful of its obligation to provide timely disclosure of all Material developments that impact the Group as prescribed in Appendix 7.1 (Corporate Disclosure Policy) of the LR of the SGX-ST.

The Company supports and encourages active shareholders participation at general meetings as general meetings serve as an opportune avenue for shareholders to meet and interact with the Board and Management. Shareholders are informed of shareholder's meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in a daily newspaper of Singapore and posted onto SGXNet and the Company's website where shareholders are invited to attend the general meetings to put forth any questions, they may have on the motions to be debated and decided upon.

The Company's Bye-laws allows (i) each Shareholder to vote in person or, appoint not more than two (2) proxies and (ii) the Depository to appoint more than two (2) proxies to attend and vote at general meetings. The Company is not implementing absentia voting methods such as by mail, e-mail, or fax until security integrity and other pertinent issues are satisfactorily resolved.

CORPORATE GOVERNANCE REPORT

The Company ensures that Shareholders can participate effectively in and vote at the general meetings of Shareholders. All rules and voting procedures for such meetings are communicated to Shareholders. The general meetings are attended by the Board of Directors and Company Secretary to address any queries raised at the general meeting. The Chairman of the meeting allows for any queries for a specific Board Committee to be addressed by the Chairman of that Committee. External auditors are also present to address any relevant queries regarding the conduct of audit and the preparation and content of the auditor's report.

The Company tables separate resolutions at such Shareholder general meetings on each distinct issue and the necessary information for each resolution is provided for so as to enable Shareholders to exercise their vote on an informed basis, unless they are inter-dependent and are more appropriately tabled together. Reasons, and implications of why resolutions are bundled will be set out in the circulars sent. All resolutions are put to vote by poll. The total number and percentage of votes cast for or against each resolution be announced to the public on the same day after the meetings on the SGX-ST via SGXNet pursuant to the requirements of the LR.

The minutes of general meetings is prepared by the Company Secretary and approved by the Chairman and published on the SGXNet and its Company website within one (1) month from the date of AGM.

The Company currently does not have a formal or fixed policy on the payment of dividends. The Company is of the view that a fixed dividend policy can hinder the long-term growth strategy of the Group. The form, frequency and amount of dividends declared each year will take into consideration the Group's performance in the relevant financial period, cash position, projected capital requirements, working capital requirements and others factors as the Board may deem appropriate. As mentioned by the Chairman in his message, we do not intend to declare and distribute a final dividend for FY2025. The Company shall aim at resuming dividend distributions when appropriate. Notwithstanding the foregoing, any pay-out of dividends would be clearly communicated to Shareholders via announcements released on SGXNet.

Principle 12: Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The general meetings of the Company are the principal forum for dialogue between shareholders and Directors and Management of the Company. Shareholders are given the opportunity to communicate their views and ask Directors and Management any questions regarding the Company and the Group. As and when appropriate, Management may also, conduct media interviews to provide Shareholders and the public with a deeper insight of the Group's business and strategies. The Company also maintains and updates its corporate website with relevant corporate developments. The Lead Independent Director also serves as a channel of communication between shareholders and the Board and Management and the Lead Independent Director can be contacted via email (jackcapital@163.com).

The Company believes that high standard of disclosure is key to raising the level of corporate governance. The Company disseminates its half year and full year results, latest corporate news, strategies and announcements promptly through SGXNet, press releases, various media and via the investor relations' team through which an ongoing exchange of views will be taken place so as to actively engage and promote regular, effective and fair communication with shareholders and potential investors. All price-sensitive information is announced to the public on a timely basis.

All Shareholders will receive the Annual Report and the notice of any general meetings, with such notice advertised in a local newspaper and made available on SGXNet. The Company does not practice selective disclosure. The Company ensures that its Shareholders are notified of all material information in an accurate and timely manner. Shareholders and investors may contact the Company or access information regarding the Company on its website which provide, inter alia, corporate announcements, press releases and the latest financial results as released by the Company on SGXNet.

CORPORATE GOVERNANCE REPORT

MANAGING SHAREHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Group understands and response to the needs and ideas of stakeholders which are key to achieving business sustainability and satisfactory outcomes for stakeholders. The Group's stakeholders are those who are materially influencing or affected by the Group's business. Stakeholders' inputs lead the Group in shaping priorities and activities.

The Group constantly engages its key internal and external stakeholders through multiple channels, for instance, direct mails, written reports, presentation, regular meetings, hotlines (e.g. whistleblowing hotlines), shareholders' general meetings, and announcements on SGXNet. In response to the changing needs and demands from local regulatory agencies and community groups, the Group also regularly organises meetings, seminars, community visits, study trips, and community service activities to engage these groups of external stakeholders. The frequency of ongoing engagement with various stakeholders depends on mutual needs and expectations.

Stakeholders' feedback guides the Group to review potential risks and opportunities and formulate corresponding sustainability strategy. The Company has engaged an external consultancy to conduct materiality assessment in the procedures shown below. Building upon the materiality analysis results of reporting, the assessment has identified the material topics for The Company and different stakeholder groups.

The Company has identified key areas of focus in relation to management of stakeholder relationships. The details on the key areas of focus are included in the Sustainability Report on page 33 to page 36 of this Annual Report.

The Company maintains a website at <https://www.cdw-holding.com.hk> to communicate and engage with stakeholders.

MATERIAL CONTRACTS

Save for the service agreements between the Executive Directors, the Company and its subsidiary companies, there are no material contracts of the Company or its subsidiaries involving the interest of the CEO or any Directors or controlling Shareholders subsisting at the end of FY2025 or entered into since the end of that financial year.

DEALING IN SECURITIES

The Company has adopted a Best Practices Guide with respect to dealings in securities by Directors and officers of the Group. Directors, Management and officers of the Group who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's shares one (1) month before the announcement of the Company's half year and full year results until the day of the release of the announcement or while in possession of unpublished price-sensitive information on the Group. The Company has also reminded its Directors and officers not to deal in the Company's securities on short-term consideration via email.

The Company has complied with its Best Practices Guide on Securities Transactions which is in accordance with LR 1207(19) of the SGX-ST.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC and that the transactions are on an arm's length basis and on normal commercial terms which not be prejudicial to the interest of the Shareholders.

The aggregate value of all interested person transactions in accordance with the LR of the SGX-ST and which are subject to Listing Rules 905 and 906 of the LR of the SGX-ST excluding transactions less than SG\$100,000 in value entered into during the year under review is 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 SG\$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 SG\$100,000)
		US\$'000	US\$'000
Mr YOSHIMI Kunikazu Payment of advisory fee	Controlling shareholder	231	-

SUPPLEMENTAL INFORMATION ON RE-ELECTION OF DIRECTORS

Pursuant to Listing Rule 720(6)

Name of Director	YAP Tong Teck	ENDO Mamoru
Date of first appointment as a Director	1 November 2023	1 November 2023
Date of last re-appointment/ re-election as a Director	29 April 2024	29 April 2024
Age	60	39
Nationality	Singapore	Japan
The Board's comments on the re-election/ appointment/ promotion of Director	<p>Mr. Yap Tong Teck is a Non-Executive and Independent Director. He is the Chairman of the Nominating Committee and has brought different competencies, experiences, skill and knowledge, improvement to the Board.</p> <p>The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution, experience and suitability of Mr. Yap for re-election as Non-Executive and Independent Director.</p>	<p>Mr. Endo Mamoru is a Non-Executive and Independent Director. He is the Chairman of the Remuneration Committee and has brought different competencies, experiences, skill and knowledge, improvement to the Board.</p> <p>The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contribution, experience and suitability of Mr. Endo for re-election as Non-Executive and Independent Director.</p>
Whether appointment is Executive and if so, the area of responsibility	Non-Executive	Non-Executive
Job title	<ul style="list-style-type: none"> • Independent Director • Nominating Committee (Chairman) • Audit & Risk Committee (Member) • Remuneration Committee (Member) 	<ul style="list-style-type: none"> • Independent Director • Remuneration Committee (Chairman) • Audit & Risk Committee (Member) • Nominating Committee (Member)
Professional qualifications	<ul style="list-style-type: none"> • Master of Business Administration (Investment & Finance), University of Hull • Modular Master in Data Science (Non-Programming), the Singapore University of Technology and Design • Bachelor of Engineering (Control Engineering), Tokyo Institute of Technology 	<ul style="list-style-type: none"> • Attorney at Law in Japan

SUPPLEMENTAL INFORMATION ON RE-ELECTION OF DIRECTORS

Pursuant to Listing Rule 720(6)

Name of Director	YAP Tong Teck	ENDO Mamoru
<p>Working experience and occupation(s) during the past 10 years</p>	<ul style="list-style-type: none"> ● Advisor, Crossborder Research Pte Ltd (Mar 2020 to Present) ● Director, Suwa Precision Engineering Pte Ltd (Oct 2020 to Present) ● Director, Suwa Stamping Tech Pte Ltd (Oct 2020 to Present) ● Director, Attisse Pte Ltd (Oct 2020 to Present) ● Director, SV Tech Pte Ltd (Oct 2020 to Oct 2024) ● Director, KUT Seiko Pte Ltd (Oct 2020 to Nov 2023) ● Deputy Chief Executive Officer China-Singapore Suzhou Industrial Park Development Ltd (From Jan 2019 to Feb 2020) ● 监事会主席, 中新苏州工业园区置地有限公司 ● 监事会主席, 中新苏州工业园区市政公用发展集团有限公司 ● 副董事长, 总经理, 中新苏州工业园区国际教育服务有限公司 ● 理事长, 苏州新加坡国际学校 ● 理事长, 中新苏州工业园区康乐斯顿外国语学校 ● 董事, 中新苏通科技产业园 (南通) 开发有限公司 ● 副董事长, 苏州锐新投资有限公司 ● 副董事长, 东吴证券中新(新加坡)有限公司 ● 副董事长, 苏州道华企业管理发展有限公司 ● 董事, 中新苏州工业园区海归人才子女学校 	<ul style="list-style-type: none"> ● Legal Consultant, Nexpert Global Consulting Pte. Ltd. (From May 2023 to Present) ● Attorney, Atago Tranomono Law Office (From Jan 2014 to Dec 2016) ● Legal Consultant, Fair Consulting India Pvt. Ltd. (From Jan 2017 to May 2018) ● Legal Consultant, Fair Consulting Singapore Pte. Ltd. (From May 2018 to Apr 2023)

SUPPLEMENTAL INFORMATION ON RE-ELECTION OF DIRECTORS

Pursuant to Listing Rule 720(6)

Name of Director	YAP Tong Teck	ENDO Mamoru
	<ul style="list-style-type: none"> • 董事长, 总裁, 银川苏银产业园发展有限公司 • Vice President Head Asset Management Ascendas (Shanghai) Co Ltd (Ascendas Singbridge) (From Jul 2014 to Mar 2017) 	
Shareholding interest in the Company and its subsidiaries	<ul style="list-style-type: none"> • 72,100 ordinary shares of the Company 	No
Any relationship (including immediate family relationships) with any existing Director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes
Other principal commitments (including directorships) – Present	<ul style="list-style-type: none"> • Advisor, Crossborder Research Pte Ltd • Director, Attisse Pte Ltd • Director, Suwa Precision Engineering Pte Ltd • Director, Suwa Stamping Tech Pte Ltd 	<ul style="list-style-type: none"> • Partner Lawyer, NEXPERT Law Office in Japan • Director, NEXPERT Global Consulting Pte. Ltd. in Singapore
Other principal commitments (including directorships) – Past, for the last 5 years	<ul style="list-style-type: none"> • Advisor, Crossborder Research Pte Ltd • Director, Suwa Precision Engineering Pte Ltd • Director, Suwa Stamping Tech Pte Ltd • Director, Attisse Pte Ltd • Director, SV Tech Pte Ltd • Director, KUT Seiko Pte Ltd • Deputy Chief Executive Officer China-Singapore Suzhou Industrial Park Development Ltd 	

SUPPLEMENTAL INFORMATION ON RE-ELECTION OF DIRECTORS

Pursuant to Listing Rule 720(6)

Name of Director	YAP Tong Teck	ENDO Mamoru
	<ul style="list-style-type: none"> ● 监事会主席, 中新苏州工业园区置地有限公司 ● 监事会主席, 中新苏州工业园区市政公用发展集团有限公司 ● 副董事长, 总经理, 中新苏州工业园区国际教育服务有限公司 ● 理事长, 苏州新加坡国际学校 ● 理事长, 中新苏州工业园区康乐斯顿外国语学校 ● 董事, 中新苏通科技产业园(南通)开发有限公司 ● 副董事长, 苏州锐新投资有限公司 ● 副董事长, 东吴证券中新(新加坡)有限公司 ● 副董事长, 苏州道华企业管理发展有限公司 ● 董事, 中新苏州工业园区海归人才子女学校 ● 董事长, 总裁, 银川苏银产业园发展有限公司 	
Disclosure on the following matters concerning the Director		
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

SUPPLEMENTAL INFORMATION ON RE-ELECTION OF DIRECTORS

Pursuant to Listing Rule 720(6)

Name of Director	YAP Tong Teck	ENDO Mamoru
<p>b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key Executive, at the time when he was a director or an equivalent person or a key Executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key Executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p>	No	No
<p>c. Whether there is any unsatisfied judgement against him?</p>	No	No
<p>d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</p>	No	No
<p>e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?</p>	No	No

SUPPLEMENTAL INFORMATION ON RE-ELECTION OF DIRECTORS

Pursuant to Listing Rule 720(6)

Name of Director	YAP Tong Teck	ENDO Mamoru
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i. Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	No	No

SUPPLEMENTAL INFORMATION ON RE-ELECTION OF DIRECTORS

Pursuant to Listing Rule 720(6)

Name of Director	YAP Tong Teck	ENDO Mamoru
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DIRECTORS' STATEMENT

The directors of the Company are pleased to present their statement to the members together with the audited consolidated financial statements of CDW Holding Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2025.

1. Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and the consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

KATO Tomonori	(Chairman, Executive Director and Chief Executive Officer)
CHEUNG Chi Ming	(Executive Director and Chief Financial Officer)
CHIA Seng Hee	(Lead Independent Non-Executive Director)
YAP Tong Teck	(Independent Non-Executive Director)
ENDO Mamoru	(Independent Non-Executive Director)

In accordance with Bye-Laws 104 of the bye-laws of the Company, Mr. YAP Tong Teck and Mr. ENDO Mamoru shall retire, and being eligible for re-election at the coming annual general meeting.

3. Arrangements to Enable Directors to Acquire Shares and Debentures

Except as described in paragraphs 4, 6 and 7 below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS’ STATEMENT

4. Directors’ Interests in Shares and Debentures

The following directors, who held office at the end of the financial year, had an interest in shares and debentures of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of directors and companies in which interests are held	Direct interests		Deemed interests	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
The Company				
Ordinary shares of US\$0.04 each				
CHEUNG Chi Ming	-	100,000	-	-
CHIA Seng Hee	500	1,000,800	-	-
YAP Tong Teck	-	72,100	-	-

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2026.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the date of appointment if later, or at the end of the financial year.

5. Directors’ Contractual Benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

6. Share Options

Options to take up unissued shares

On 22 June 2018, the Company adopted the CDW Employee Share Option Scheme 2018 (the “Share Option Scheme”) which was approved by the shareholders of the Company pursuant to the resolutions passed on the same date. The Share Option Scheme provide an opportunity for the Group’s employees and directors (“Eligible persons”) to participate in the equity of the Company so as to motivate them to great dedication, loyalty and higher standards of performance.

DIRECTORS' STATEMENT

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 the Share Option Scheme. 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 SG\$0.14 per share with an exercise period commencing from 21 August 2021 to 20 August 2024 (both days inclusive).

During the year ended 31 December 2024, 3,500,000 share options were lapsed or cancelled. There were no outstanding share options as at 31 December 2025 (31 December 2024: Nil).

The rules of the Share Option Scheme are set out in the Company's Circulars dated 6 June 2018. The schemes is summarised in note 15(b) to the financial statements. Eligible persons who are also the Company's controlling shareholders or their associates may not participate in the Share Option Scheme. The options grant the right to the holder to subscribe for new ordinary shares of the Company at a discount to the market price of the share, subject to a maximum limit of 20%, or at a price equal to the average of the last dealt prices for the shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") over the five consecutive market days immediately preceding the date of the grant of the option.

The committee administering the Share Option Scheme comprises three directors, ENDO Mamoru, YAP Tong Teck and CHIA Seng Hee.

Unissued shares under options and options exercised

The number of shares available under the Share Option Scheme and the Performance Scheme (as defined below) shall not exceed 15% of the issued share capital of the Company. There were no share options granted in 2025 and there were no outstanding share options as at 31 December 2025. The number of outstanding share options under the Share Option Scheme in 2024 was as follows:

Date of grant	Balance at 1 January 2024	Cancelled/ Lapsed	Granted	Exercised	Balance at 31 December 2024	Exercise price per share	Exercisable period
Share Option Scheme							
21 August 2019	3,500,000	3,500,000	-	-	-	SG\$0.140	21 August 2021 to 20 August 2024

Holders of the above share options have no right to participate in any share issue of any other company. No employee of the Group has received 5% or more of the total options available under the Share Option Scheme.

There were no options granted (nor were there options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted) to any of the Company's controlling shareholders or their associates (as defined in the Singapore Exchange Securities Trading Limited Listing Manual).

DIRECTORS’ STATEMENT

Notes:

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the Share Option Scheme in 2024 were as follows:

Name of directors	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to the end of FY2024	Aggregate options exercised since commencement of the Scheme to the end of FY2024	Aggregate options cancelled/lapsed since commencement of the Scheme to the end of FY2024	Aggregate options outstanding as at the end of FY2024
KATO Tomonori	-	1,000,000	-	1,000,000	-

7. Share Performance

The Company adopted the Share Performance Scheme 2018 (the “Performance Scheme”) which was approved by the shareholders of the Company pursuant to the resolutions passed on 22 June 2018. The rules of the Performance Scheme are set out in the Company’s Circular dated 6 June 2018 and are summarised in note 15(c) to the financial statements. The number of shares available under the Performance Scheme and the Share Option Scheme (as defined above) shall not exceed 15% of the issued share capital of the Company.

The Performance Scheme is a performance incentive scheme which form an integral part of the Group’s incentive compensation programme. Under this scheme, the Company is allowed to grant Participants the right to receive fully paid shares of the Company free of charge upon achieving prescribed, pre-determined performance conditions in terms of key financial and operational targets (the “Award”). The Performance Scheme provides an opportunity for the Participants to participate in the equity of the Company, seeks to motivate the Participants to achieve key financial and operational goal and provides competitive remuneration to reward and retain existing Participants and to recruit new Participants for the long-term growth and profitability of the Group.

The committee administering the Performance Scheme comprises three directors, who are the members of the Remuneration Committee, ENDO Mamoru, YAP Tong Teck and CHIA Seng Hee.

During the year ended 31 December 2025, no Award was granted and no share was issued under the Performance Scheme.

8. Audit and Risk Committee (“ARC”)

The ARC of the Company during the year FY2025 was chaired by CHIA Seng Hee, an independent director, and included YAP Tong Teck and ENDO Mamoru, all of whom were independent directors. The ARC has met six times since the last Annual General Meeting (“AGM”) up to the date of this statement and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- (a) the audit plans and results of an independent firm’s examination and evaluation of the Group’s systems of internal accounting controls;
- (b) the Group’s financial and operating results and accounting policies;

DIRECTORS' STATEMENT

- (c) the consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company before their submission to the directors of the Company and the external auditors' report on those financial statements;
- (d) the half yearly and annual announcements as well as the related press releases on the results and the financial position of the Group and the financial position of the Company;
- (e) the interested person transactions (as defined in chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual);
- (f) the co-operation and assistance given by the management to the Group's external and internal auditors; and
- (g) the re-appointment of the external auditors of the Group.

The ARC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the ARC.

Further details regarding the ARC are disclosed in the Corporate Governance Report.

The ARC has recommended to the directors the nomination of RSM SG Assurance LLP and RSM Hong Kong for re-appointment as external joint auditors of the Group at the forthcoming AGM of the Company.

9. Auditors

RSM SG Assurance LLP and RSM Hong Kong have expressed their willingness to accept re-appointment as joint auditors.

On behalf of the Board of Directors

KATO Tomonori
Chairman and Chief Executive Officer

CHEUNG Chi Ming
Executive Director and Chief Financial Officer

8 April 2026

INDEPENDENT AUDITORS' REPORT

To the Members of CDW Holding Limited (Incorporated in Bermuda with limited liability)



RSM SG Assurance LLP
8 Wilkie Road
#03-08 Wilkie Edge
Singapore

RSM Hong Kong
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

Opinion

We have audited the consolidated financial statements of CDW Holding Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) set out on pages 112 to 183, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025, and of the consolidated financial performance, consolidated statement of changes in equity and the consolidated cash flows of the Group and changes in equity of the Company for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“**ISAs**”) as issued by the International Auditing and Assurance Standards Board (“**IAASB**”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (“**IESBA Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT

To the Members of CDW Holding Limited (Incorporated in Bermuda with limited liability)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

1. Impairment assessment of goodwill
2. Impairment assessment of trade receivables

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Impairment assessment of goodwill</u></p> <p>Refer to Note 27 to the consolidated financial statements.</p> <p>As at 31 December 2025, the carrying amount of goodwill amounted to approximately US\$12,108,000 which was arisen from the business combination of A Biotech Co., Ltd (“ABio”) on 6 April 2022.</p> <p>Management engaged a firm of qualified external valuers (“external valuer”) to assist in the impairment assessment of goodwill. Based on the assessment, there is no impairment of goodwill as at 31 December 2025.</p> <p>Management tests at least annually whether goodwill was subject to any impairment, in accordance with the accounting policy stated in Note 4(c) and Note 4(y). The recoverable amount of cash-generating unit (“CGU”) has been determined based on the higher of their fair value less costs to sell and their value in use amounts.</p> <p>We focused on auditing the impairment of goodwill including the related disclosures because the estimation of recoverable amount is subject to high degree of estimation uncertainty. The inherent risk in relation to the impairment of goodwill is considered significant due to the complexity of the methods, subjectivity of significant assumptions used, including market adjustment factor and significant judgements involved in selecting data.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> ● Obtaining an understanding and evaluating of management’s internal control and assessment process of impairment assessment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; ● Obtaining and examining the valuation report in relation to the goodwill impairment assessment of ABio prepared by the external valuer engaged by the Group; ● Assessing the competency, capabilities and objectivity of the external valuer; ● Reviewing the adequacy and appropriateness of the disclosure in the consolidated financial statements; ● Engaging an auditors’ expert to assist in: <ul style="list-style-type: none"> (i) assessing the appropriateness of the valuation methodologies used by management based on our industry knowledge and relevant market practice; and (ii) checking the evidence supporting the assumptions and inputs utilised in the calculation of the recoverable amount of the CGU to which goodwill has been allocated.

INDEPENDENT AUDITORS' REPORT

To the Members of CDW Holding Limited (Incorporated in Bermuda with limited liability)

Key Audit Matters (Cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><u>Impairment assessment of trade receivables</u></p> <p>Refer to Notes 6(c) and 25 to the consolidated financial statements.</p> <p>The carrying amount of the Group's net trade receivables was US\$13,309,000 at 31 December 2025.</p> <p>Significant judgement and estimation by management are involved in the assessment of impairment, based on the lifetime expected credit loss ("ECL") to be incurred, by taking into account factors including the age of trade receivable balances, the credit quality and credit loss history of debtors. Both current and future general economic conditions are also taken into consideration by management in the estimation.</p> <p>Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade receivables and the loss allowance for trade receivables in the year in which such estimate has been changed. There were no impairment losses recognised or reversed during the year.</p> <p>Management engaged a firm of qualified external valuers ("external valuer") to assist in the impairment assessment of trade receivables.</p> <p>The inherent risk in relation to the impairment assessment of trade receivables is considered significant as the impairment assessment involves significant estimates and assumptions which were subjective. Therefore, we identified the impairment assessment of trade receivables as a key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> ● Assessing the risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors including subjectivity; ● Understanding and evaluating key internal controls over the Group's process for determining impairment of trade receivables; ● Obtaining and examining the ECL assessment report for trade receivables prepared by the external valuer engaged by the Group; ● Assessing the competency, capabilities and objectivity of the external valuer; ● Assessing whether trade receivables was appropriately grouped by management into categories with shared credit risk characteristics; ● Testing, on a sample basis, the accuracy and completeness of the data used by management to develop historical loss rates and assessing the sufficiency, relevance and reliability of that data; ● Testing, on a sample basis, the accuracy of the ageing of trade receivables to supporting documents; and ● Engaging an auditors' expert to assist in: <ul style="list-style-type: none"> (i) assessing the appropriateness of the impairment model used by the Group; (ii) comparing inputs to the model to market data; (iii) assessing the appropriateness of forward-looking adjustments to the model; and (iv) checking the calculation of the ECL provisions.

INDEPENDENT AUDITORS' REPORT

To the Members of CDW Holding Limited (Incorporated in Bermuda with limited liability)

Other Information

Management is responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of CDW Holding Limited (Incorporated in Bermuda with limited liability)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT

To the Members of CDW Holding Limited (Incorporated in Bermuda with limited liability)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

RSM SG Assurance LLP
Public Accountants and Chartered Accountants
8 Wilkie Road
#03-08 Wilkie Edge
Singapore
Engagement partner: CHONG Cheng Yuan

8 April 2026

RSM Hong Kong
Certified Public Accountants
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay, Hong Kong
Engagement Partner: NG Wai Kwun

8 April 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 December 2025

		Group	
	Note	2025	2024
		US\$'000	US\$'000
Revenue	9	87,366	85,795
Cost of sales		(74,177)	(72,244)
Gross profit		13,189	13,551
Other income	10	463	568
Distribution costs		(1,967)	(1,970)
Administrative expenses	11	(13,851)	(16,487)
Finance costs	12	(342)	(327)
Gain on disposal of subsidiaries	35(d)	-	23
Loss on deregistration of a subsidiary	35(e)	-	(128)
Loss before tax	13	(2,508)	(4,770)
Income tax expense	14A	(351)	(189)
Loss for the year		(2,859)	(4,959)
Loss attributable to:			
Owners of the Company		(2,628)	(4,415)
Non-controlling interests		(231)	(544)
		(2,859)	(4,959)
Loss per share (US cents)			
Basic	16	(1.17)	(1.96)
Diluted	16	(1.17)	(1.96)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	Group	
		2025 US\$'000	2024 US\$'000
Loss for the year		(2,859)	(4,959)
Other comprehensive loss:			
<i>Items that reclassified or may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		338	(2,611)
Exchange differences reclassified to profit or loss on disposal of subsidiaries	35(d)	-	(13)
Exchange differences reclassified to profit or loss on deregistration of a subsidiary	35(e)	-	128
		338	(2,496)
<i>Item 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 year	22	(446)	(131)
Other comprehensive loss for the year, net of tax		(108)	(2,627)
Total comprehensive loss for the year		(2,967)	(7,586)
Attributable to:			
Owners of the Company		(2,736)	(7,503)
Non-controlling interests		(231)	(83)
Total comprehensive loss for the year		(2,967)	(7,586)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	18	3,561	3,623	-	-
Right-of-use assets	19	1,677	2,419	-	-
Investments in subsidiaries	20(a)	-	-	11,334	11,334
Amount due from a subsidiary	20(b)	-	-	15,704	16,458
Investment in an associate	21	-	-	-	-
Goodwill	27	12,108	12,029	-	-
Other intangible assets	28	538	536	-	-
Investments	22	41	487	-	-
Other assets	23	212	447	-	-
Deferred tax assets	14B	138	167	-	-
Total non-current assets		18,275	19,708	27,038	27,792
Current assets					
Inventories	24	9,362	21,300	-	-
Trade and other receivables	25	15,545	16,180	43	55
Tax recoverable		109	-	-	-
Pledged bank deposit	26	500	500	-	-
Cash and bank balances	26	24,402	26,550	102	109
Total current assets		49,918	64,530	145	164
TOTAL ASSETS		68,193	84,238	27,183	27,956
LIABILITIES AND EQUITY					
Current liabilities					
Income tax payable		-	111	-	-
Bank borrowings	29	1,799	5,868	-	-
Lease liabilities	30	1,025	1,289	-	-
Trade and other payables	31	21,456	30,895	129	111
Amount due to an associate	21(b)	387	400	-	-
Total current liabilities		24,667	38,563	129	111
NET CURRENT ASSETS		25,251	25,967	16	53

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Non-current liabilities					
Bank borrowings	29	4,003	-	-	-
Lease liabilities	30	737	1,207	-	-
Retirement benefit obligations	15(a)	188	641	-	-
Deferred tax liabilities	14B	250	256	-	-
Total non-current liabilities		5,178	2,104	-	-
TOTAL LIABILITIES		29,845	40,667	129	111
NET ASSETS		38,348	43,571	27,054	27,845
Equity attributable to owners of the Company					
Share capital	32(a)	10,087	10,087	10,087	10,087
Treasury shares	32(b)	(4,016)	(4,016)	(4,016)	(4,016)
Reserves	33	33,837	38,828	20,983	21,774
		39,908	44,899	27,054	27,845
Non-controlling interests		(1,560)	(1,328)	-	-
TOTAL EQUITY		38,348	43,571	27,054	27,845
TOTAL LIABILITIES AND EQUITY		68,193	84,238	27,183	27,956

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Share capital Note 32(a) US\$'000	Share premium of the Company US\$'000	Share capital reserve Note 33 US\$'000	Treasury shares Note 32(b) US\$'000	Employee share option reserve Note 15(b) US\$'000	Merger reserve Note 33 US\$'000
GROUP						
Balance at 1 January 2024	10,087	18,994	(361)	(4,016)	111	(7,020)
Loss for the year	-	-	-	-	-	-
Change in ownership interest in a subsidiary without loss of control	-	-	-	-	-	-
Other comprehensive loss for the year:						
Exchange differences on translation of foreign operations	-	-	-	-	-	-
Exchange differences reclassified to profit or loss on disposal of subsidiaries (Note 35(d))	-	-	-	-	-	-
Exchange differences reclassified to profit or loss on deregistration of a subsidiary (Note 35(e))	-	-	-	-	-	-
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax (Note 22)	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-
Transfer on share options lapsed	-	-	-	-	(111)	-
Transfer on deregistration of a subsidiary	-	-	-	-	-	-
Dividend paid to a non-controlling shareholder	-	-	-	-	-	-
Dividends paid (Note 17)	-	-	-	-	-	-
Balance at 31 December 2024	10,087	18,994	(361)	(4,016)	-	(7,020)
Balance at 1 January 2025	10,087	18,994	(361)	(4,016)	-	(7,020)
Loss for the year	-	-	-	-	-	-
Other comprehensive loss for the year:						
Exchange differences on translation of foreign operations	-	-	-	-	-	-
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax (Note 22)	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-
Transfer	-	-	-	-	-	-
Transfer of cumulative fair value loss on unlisted equity investment (Note 22)	-	-	-	-	-	-
Dividend paid to a non-controlling shareholder	-	-	-	-	-	-
Dividends paid (Note 17)	-	-	-	-	-	-
Balance at 31 December 2025	10,087	18,994	(361)	(4,016)	-	(7,020)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

Statutory reserve fund Note 33 US\$'000	Enterprise expansion fund Note 33 US\$'000	Other reserves Note 33 US\$'000	Fair value adjustment reserve Note 33 US\$'000	Foreign currency translation reserve Note 33 US\$'000	Retained earnings US\$'000	Equity attributable to owners of the Company US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
4,009	318	1,199	(595)	(610)	32,540	54,656	(1,243)	53,413
-	-	-	-	-	(4,415)	(4,415)	(544)	(4,959)
-	-	-	-	-	(461)	(461)	461	-
-	-	-	-	(2,611)	-	(2,611)	-	(2,611)
-	-	-	-	(13)	-	(13)	-	(13)
-	-	-	-	128	-	128	-	128
-	-	-	(131)	-	-	(131)	-	(131)
-	-	-	(131)	(2,496)	(4,876)	(7,503)	(83)	(7,586)
-	-	-	-	-	111	-	-	-
(204)	-	-	-	-	204	-	-	-
-	-	-	-	-	-	-	(2)	(2)
-	-	-	-	-	(2,254)	(2,254)	-	(2,254)
3,805	318	1,199	(726)	(3,106)	25,725	44,899	(1,328)	43,571
3,805	318	1,199	(726)	(3,106)	25,725	44,899	(1,328)	43,571
-	-	-	-	-	(2,628)	(2,628)	(231)	(2,859)
-	-	-	-	338	-	338	-	338
-	-	-	(446)	-	-	(446)	-	(446)
-	-	-	(446)	338	(2,628)	(2,736)	(231)	(2,967)
-	-	1	-	-	(1)	-	-	-
-	-	-	823	-	(823)	-	-	-
-	-	-	-	-	-	-	(1)	(1)
-	-	-	-	-	(2,255)	(2,255)	-	(2,255)
3,805	318	1,200	(349)	(2,768)	20,018	39,908	(1,560)	38,348

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Share capital Note 32(a) US\$'000	Share premium US\$'000	Share capital reserve Note 33 US\$'000	Treasury shares Note 32(b) US\$'000	Employee share option reserve Note 15(b) US\$'000	Retained earnings US\$'000	Total equity US\$'000
COMPANY							
Balance at 1 January 2024	10,087	18,994	(361)	(4,016)	111	2,352	27,167
Profit for the year and total comprehensive income for the year	-	-	-	-	-	2,932	2,932
Transfer on share options lapsed	-	-	-	-	111	111	-
Dividends paid (Note 17)	-	-	-	-	-	(2,254)	(2,254)
Balance at 31 December 2024 and 1 January 2025	10,087	18,994	(361)	(4,016)	-	3,141	27,845
Profit for the year and total comprehensive income for the year	-	-	-	-	-	1,464	1,464
Dividends paid (Note 17)	-	-	-	-	-	(2,255)	(2,255)
Balance at 31 December 2025	10,087	18,994	(361)	(4,016)	-	2,350	27,054

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	Group	
		2025 US\$'000	2024 US\$'000
Operating Activities			
Loss before tax		(2,508)	(4,770)
Adjustments for:			
Interest income	10	(309)	(375)
Finance costs	12	342	327
Net (gain)/loss on disposal of property, plant and equipment	13	(17)	129
Gain on termination of lease contracts	13	(1)	-
Increase/(decrease) in provision for inventories	13	428	(374)
Depreciation of property, plant and equipment	18	933	1,359
Depreciation of right-of-use assets	19	1,579	1,555
Amortisation of other intangible assets	28	1	1
Gain on disposal of subsidiaries	35(d)	-	(23)
Loss on deregistration of a subsidiary	35(e)	-	128
Retirement benefit obligations	15(a)	51	61
Reversal of expected credit losses on trade receivables, net	13	-	(4)
Operating cash flows before movements in working capital		499	(1,986)
Changes in working capital:			
Other assets		244	(191)
Trade and other receivables		618	13,044
Amount due to an associate		(21)	22
Inventories		11,634	(5,074)
Trade and other payables		(9,532)	29
Retirement benefit obligations		(504)	-
Cash generated from operations		2,938	5,844
Net income tax paid		(562)	(296)
Interest paid	12	(238)	(210)
Net cash from operating activities		2,138	5,338
Investing Activities			
Proceeds from disposal of property, plant and equipment		182	144
Purchases of property, plant and equipment	18	(1,009)	(625)
Purchase of other intangible asset	28	-	(5)
Interest income received	10	309	375
Placement of restricted bank deposit	26	-	(500)
Disposal of subsidiaries	35(d)	-	9
(Increase)/decrease in time deposits with original maturity of over three months	26	(1,887)	169
Net cash used in investing activities		(2,405)	(433)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	Group	
		2025 US\$'000	2024 US\$'000
Financing Activities			
Proceeds from bank borrowings	35(b)	11,231	5,317
Repayment of bank borrowings	35(b)	(11,325)	(6,949)
Repayment of principal portion of lease liabilities	30	(1,553)	(1,531)
Repayment of interest element on lease liabilities	12	(104)	(117)
Dividends paid	17	(2,255)	(2,254)
Dividends paid to non-controlling interests by a subsidiary		(1)	(2)
Net cash used in financing activities		(4,007)	(5,536)
Net decrease in cash and cash equivalents		(4,274)	(631)
Net effect of currency translation differences		239	(48)
Cash and cash equivalents at 1 January	26	25,840	26,519
Cash and cash equivalents at 31 December	26	21,805	25,840
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash at banks and on hand	26	14,727	18,693
Short-term deposits	26	7,078	7,147
Non-pledged time deposits with original maturity of over three months	26	2,597	710
Cash and bank balances as stated in the consolidated statement of financial position		24,402	26,550
Less: Time deposits with original maturity of over three months	26	(2,597)	(710)
Cash and bank balances as stated in the consolidated statement of cash flows		21,805	25,840

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

1. GENERAL INFORMATION

CDW Holding Limited (Registration number 35127) (the “Company”) is incorporated in Bermuda with limited liability. The registered office of the Company was located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda and the principal place of business of the Company is located at Rooms 06 to 10, 11th Floor, CCT Telecom Building, 11 Wo Shing Street, Fo Tan, Shatin, New Territories, Hong Kong.

The Company’s shares are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Company is an investment holding company. The principal activities of the subsidiaries are described in note 20 to the financial statements. The Company and its subsidiaries are collectively referred to as the “Group”.

Mr. YOSHIMI Kunikazu, by virtue of his 100% shareholding in Mikuni Co., Limited, is the controlling shareholder of the Company.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), which include all applicable IFRS Accounting Standards, International Accounting Standards (“IAS”) and the Interpretations.

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

(a) Application of new and revised IFRS Accounting Standards

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group. Of these, the following amendments to IFRS Accounting Standards are relevant to the Group:

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability
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None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any amendments to IFRS Accounting Standards that are not yet effective for the current accounting period.

(b) Revised IFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (CONT'D)

(b) Revised IFRS Accounting Standards in issue but not yet effective (cont'd)

The Group's assessment of the impact of these new or amended IFRS Accounting Standards and Interpretations, most relevant to the Group, are set out below:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group presents and discloses financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of IFRS 18, with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements. Based on the preliminary assessment, the application of IFRS 18 is not expected to have significant impact on the Group's consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value). The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) Consolidation (cont'd)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

(b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Goodwill

Goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(d) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(d) Associates (cont'd)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollar ("US\$"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the entity initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Foreign currency translation (cont'd)

(ii) Transactions and balances in each entity's financial statements (cont'd)

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(f) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(f) Property, plant and equipment (cont'd)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

	Depreciation rate	Residual value
Freehold land	Not depreciated	Nil
Buildings	5%	Nil to 10%
Plant and machinery	10% to 20%	Nil to 10%
Furniture, fixtures and equipment	12.5% to 33%	Nil to 10%
Leasehold improvements	12.5% to 33%	Nil
Motor vehicles	20% to 25%	Nil

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(g) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Leases (cont'd)

The Group as a lessee (cont'd)

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

(h) Other intangible assets

- (i) Intangible assets acquired separately - In-Process research and development ("IPR&D")

IPR&D are stated at cost less accumulated amortisation and impairment losses. IPR&D acquired in a business combination are recognised at fair value at the acquisition date. Acquired IPR&D are not amortised, since it is not available for use until an approved product is commercialised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Other intangible assets (cont'd)

(ii) Intangible assets acquired separately - Patents

Patents are stated at cost less accumulated amortisation and impairment losses. Patents acquired in a business combination are recognised at fair value at the acquisition date. Amortisation is calculated on a straight-line basis over their estimated useful lives of 2 years.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. The costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECL") in accordance with the policy set out in note 4(z) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(k) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(k) Recognition and derecognition of financial instruments (cont'd)

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(l) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.
- fair value through other comprehensive income ("FVTOCI") - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECL, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL, if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(l) Financial assets (cont'd)

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value adjustment reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value adjustment reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

(o) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(p) Borrowings (cont'd)

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(q) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(s) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products. A receivable is recognised by the Group when the goods are delivered to the customers represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Some contracts for the sale of industrial products provide customers with rights of return. The rights of return give rise to variable consideration.

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

Dividend income is recognised when the shareholders' rights to receive payment are established.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(t) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

(ii) Pension obligations

Subsidiaries in Hong Kong operate a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the subsidiaries in an independently administered fund.

Employees of the subsidiaries which operate in the People's Republic of China (the "PRC") are required to participate in a pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the pension scheme.

Subsidiaries in Japan maintain a defined contribution plan for all eligible employees with at least three years of service. Under the defined contribution plans, the subsidiary generally makes annual contributions to participants' accounts based on individual years of services.

A subsidiary in Japan maintains an unfunded defined retirement benefit for its directors. All directors of the subsidiary are entitled to lump-sum payments based on salary rates and length of service at the time they leave the subsidiary. The subsidiary's estimated liability under the plan, which would be payable if all directors left at the end of the reporting period, is accrued in the consolidated statement of financial position.

A subsidiary in Korea maintains a retirement allowance under Korean labor law. Employees who have been with the subsidiary for more than one year are entitled to lump-sum payments based on salary rates and length of service at the time they leave the subsidiary. The subsidiary's estimated liability under the plan, which would be payable if all employees left at the end of the reporting period, is accrued in the consolidated statement of financial position.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(u) Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees. Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

(v) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(w) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(x) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(x) Taxation (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends either to settle its current tax assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

(y) Impairment of non-financial assets

Intangible assets that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

The carrying amounts of other non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset / CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset / CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(z) Impairment of financial assets

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost and trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(z) Impairment of financial assets (cont'd)

Significant increase in credit risk (cont'd)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default,
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(z) Impairment of financial assets (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(aa) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(ab) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

(ac) Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The 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. Revisions to accounting estimates are 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.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONT'D)

Critical judgements in applying accounting policies (cont'd)

Significant increase in credit risk

As explained in note 4(z), ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the fair value less costs to disposal of the CGUs to which goodwill has been allocated.

Management determined the recoverable amount using fair value less costs of disposal under a market approach, supported by comparable company trading data, sector market movements and a control premium, and reference to prior ordinary shares' transactions of the CGU. After adjusting the indicated equity value for operating assets and liabilities, where the recoverable amount is less than the carrying amount of the CGUs, a material impairment loss or further impairment loss may arise.

The carrying amount of goodwill at the end of the reporting period amounted to US\$12,108,000 (2024: US\$12,029,000). There was no impairment recognised for the year ended 31 December 2025 (2024: Nil).

The carrying amount of goodwill is disclosed in note 27 to the financial statements.

Impairment of trade receivables

The Group uses practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on ageing of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groups of various customer segments that have similar loss patterns (i.e., by product type and customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the business sectors which the Group operates, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONT'D)

Key sources of estimation uncertainty (cont'd)

Impairment of trade receivables (cont'd)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 6(c) to the financial statements.

Allowance for inventories

In determining the net realisable value of the Group's inventories, management estimated the recoverable amount of inventories based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration the fluctuations in price, the balance on hand relative to sales prospects and the condition of the inventories. The provision for inventories as at 31 December 2025 amounted to US\$630,000 (2024: US\$194,000) and the carrying amount of inventories is disclosed in note 24 to the financial statements.

Impairment of property, plant and equipment and right-of-use assets

The Group assesses the impairment of the property, plant and equipment and right-of-use assets whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Such assessment requires management's judgements in forecasting industry trends, general market, economic conditions and other available information. The carrying amount of the property, plant and equipment and right-of-use assets are disclosed in notes 18 and 19, respectively, to the financial statements. There was no impairment recognised for the years ended 31 December 2025 and 2024.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in currencies other than the respective functional currencies of the Group entities, primarily Japanese Yen ("JPY"), US\$, Singapore Dollar ("SG\$") and Renminbi ("RMB"), and therefore exposed to foreign exchange risk.

	Group			
	Liabilities		Assets	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
JPY	52	86	431	206
US\$	7,109	18,261	27,218	29,423
SG\$	-	-	64	84
RMB	-	-	85	42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Foreign currency risk (cont'd)

The Group may from time to time enter into forward foreign exchange contracts and foreign currency option contracts to manage its exposure to foreign currency risk.

The Group has a number of investments in foreign subsidiaries whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Foreign currency sensitivity

The following table details the sensitivity to a 10% (2024: 10%) increase/decrease in exchange rates of the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans.

If the following foreign currencies strengthened by 10% (2024: 10%) against the functional currency of each Group entity, loss before tax would decrease by:

	2025	2024
	US\$'000	US\$'000
JPY	(38)	(12)
US\$	(2,011)	(1,116)
SG\$	(6)	(8)
RMB	(9)	(4)

If the following foreign currencies weakened by 10% (2024: 10%) against the functional currency of each Group entity, loss before tax would increase by:

	2025	2024
	US\$'000	US\$'000
JPY	38	12
US\$	2,011	1,116
SG\$	6	8
RMB	9	4

The above impact is mainly attributed to the exposure outstanding on cash and bank balances, bank borrowings, receivables and payables at the end of the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Price risk

The Group is exposed to equity price risk mainly through its investment in equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on equity securities quoted on the Japan Exchange Group.

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

At the end of the reporting period, if market price had been 10% (2024: 10%) higher/lower with all other variables held constant, the Group's other comprehensive income would have been US\$4,000 (2024: US\$5,000) higher/lower, arising as a result of the higher/lower fair value of quoted equity securities classified as equity investments designated at FVTOCI.

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due 30-150 days from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for 42% (2024: 46%) of the total trade receivables as at 31 December 2025. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (cont'd)

Trade receivables (cont'd)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025:

	Expected loss rate %	2025 Gross carrying amount US\$'000	Loss allowance US\$'000
Current (not past due)	0.04%	12,515	5
1 - 30 days past due	0.05%	616	1
31 - 60 days past due	0.05%	161	–*
61 - 90 days past due	0.05%	21	–*
91 - 180 days past due	7.10%	–	–
More than 180 days past due	28.38%	3	1
		13,316	7

	Expected loss rate %	2024 Gross carrying amount US\$'000	Loss allowance US\$'000
Current (not past due)	0.05%	12,032	5
1 - 30 days past due	0.05%	1,178	1
31 - 60 days past due	0.05%	6	–*
61 - 90 days past due	0.05%	3	–*
91 - 180 days past due	8.05%	1	–*
More than 180 days past due	35.66%	3	1
		13,223	7

* Represented amount less than US\$1,000.

Expected loss rates are based on actual loss experience over a period of 36 months before 31 December 2025 or 1 January 2025 respectively. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk (cont'd)

Trade receivables (cont'd)

Movement in the loss allowance for trade receivables during the year is as follows:

	2025 US\$'000	2024 US\$'000
As at 1 January	7	11
Reversal of ECL (Note 13)	-	(4)
As at 31 December (Note 25)	<u>7</u>	<u>7</u>

Other financial assets at amortised cost

All of the Group's investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. These instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Financial assets at amortised cost include other receivables, pledged bank deposit and cash and bank balances.

During the year ended 31 December 2025, there was no loss allowance for other financial assets at amortised cost (2024: Nil).

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As disclosed in Note 29, all of the Group's banking facilities are subject to the fulfillments of covenants. Some of those covenants relate to the Group's financial covenants which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach these covenants, the related loans would become payable on demand.

Up to the date of these consolidated financial statements, there are no indications that the Group would have difficulties complying with the covenants when they will be next tested.

At the end of the reporting period, approximately 31% (2024: 100%) of the Group's bank borrowings would mature in less than one year based on the carrying amount reflected in the consolidated financial statements.

The Group assessed the concentration of risk with respect to refinancing its debts and concluded that such risk is low. Access to sources of funding is sufficiently available and debts maturing within 12 months can be rolled over with existing lenders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturity

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

	31 December 2025			31 December 2024		
	One year or less US\$'000	One to five years US\$'000	Total US\$'000	One year or less US\$'000	One to five years US\$'000	Total US\$'000
GROUP						
Financial assets:						
Trade and other receivables	14,546	-	14,546	15,289	-	15,289
Cash and short-term deposits	24,902	-	24,902	27,050	-	27,050
Total undiscounted financial assets	39,448	-	39,448	42,339	-	42,339
Financial liabilities:						
Trade and other payables	21,271	-	21,271	30,771	-	30,771
Lease liabilities	1,074	778	1,852	1,348	1,272	2,620
Bank borrowings	2,040	4,144	6,184	6,216	-	6,216
Total undiscounted financial liabilities	24,385	4,922	29,307	38,335	1,272	39,607

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their bank balances and fixed deposits that are at variable rates, certain bank borrowings that are repayable over three years by instalment at fixed rates and short-term bank borrowings that are arranged at variable interest rates pegged to the inter-bank rates in Hong Kong and PRC. The Group's policy is to borrow long-term bank borrowings with terms of three years at fixed rates to hedge against the increase in interest rates for short-term bank borrowings in a cost efficient manner. At the end of the reporting period, approximately 79% (2024: 13%) of the Group's bank borrowings were at fixed rate interest.

Interest rate sensitivity

At 31 December 2025, if interest rates had been 50 (2024: 50) basis points higher/lower with all other variables held constant, the Group's loss before tax would have been US\$67,000 (2024: US\$68,000) higher/lower (2024: higher/lower), arising mainly as a result of higher/lower interest expense on floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Fair values

Except as disclosed in note 7(d) to the consolidated financial statements, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the statement of financial position approximate their respective fair values.

(g) Categories of financial instruments at 31 December 2025

	2025 US\$'000	2024 US\$'000
Financial assets		
Financial assets measured at amortised cost	39,448	42,339
Financial assets measured at FVTOCI	41	487
Financial liabilities		
Financial liabilities at amortised cost	29,222	39,534

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7. FAIR VALUE MEASUREMENTS (CONT'D)

(a) Disclosures of level in fair value hierarchy at 31 December 2025 and 2024:

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	2025			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant observable inputs (Level 3)	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Group				
Assets measured at fair value				
Financial assets:				
Equity investments designated at FVTOCI (Note 22)				
Listed equity investment at fair value	41	-	-	41
Unlisted equity investment at fair value	-	-	-	-
Financial assets as at 31 December 2025	41	-	-	41
	2024			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant observable inputs (Level 3)	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Group				
Assets measured at fair value				
Financial assets:				
Equity investments designated at FVTOCI (Note 22)				
Listed equity investment at fair value	53	-	-	53
Unlisted equity investment at fair value	-	-	434	434
Financial assets as at 31 December 2024	53	-	434	487

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7. FAIR VALUE MEASUREMENTS (CONT'D)

(b) Reconciliation of assets measured at fair value based on Level 3:

	Equity investments designated at FVTOCI - unlisted equity investment US\$'000
As at 1 January 2025	434
Total losses recognised in other comprehensive income	(434)
As at 31 December 2025	-
	Equity investments designated at FVTOCI - unlisted equity investment US\$'000
As at 1 January 2024	558
Total losses recognised in other comprehensive income	(124)
As at 31 December 2024	434

During the years ended 31 December 2025 and 2024, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2025 and 2024:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors annually.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7. FAIR VALUE MEASUREMENTS (CONT'D)

(c) **Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2025 and 2024: (cont'd)**

Below is a summary of the valuation techniques used and the key inputs to the valuation of financial assets under Level 3 fair value measurement as at 31 December 2025 and 2024.

2025

Description	Valuation technique	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted equity investment at fair value	Guideline public company method under market approach and equity allocation model	Equity volatility	40% to 70%	5% increase in volatility would result in \$Nil change in fair value
		Discount for lack of marketability ("DLOM")	0% to 12%	5% increase in DLOM would result in \$Nil change in fair value

2024

Description	Valuation technique	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Unlisted equity investment at fair value	Trending analysis 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 DLOM would result in decrease in fair value by US\$24,169

During the year, the Group revised the valuation technique for its unlisted equity investment, replacing the prior trending analysis with the guideline public company method and an equity allocation model. This update reflects the use of more relevant market-based inputs and provides a fair value measurement that better aligns with current market conditions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7. FAIR VALUE MEASUREMENTS (CONT'D)

- (d) **Financial assets and financial liabilities not carried at fair value but for which fair value is disclosed**

The following tables show an analysis of the Group's and the Company's assets and liabilities not measured at fair value at 31 December 2025 and 2024 but for which fair value is disclosed:

	2025					
	Fair value measurements at the end of the reporting period using					
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant observable inputs (Level 3) US\$'000	Total US\$'000	Carrying amount US\$'000	
	Group					
	Liabilities					
Fixed rate bank borrowings (Note 29)	-	4,605	-	4,605	4,568	

	2024					
	Fair value measurements at the end of the reporting period using					
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant observable inputs (Level 3) US\$'000	Total US\$'000	Carrying amount US\$'000	
	Group					
	Liabilities					
Fixed rate bank borrowings (Note 29)	-	753	-	753	750	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7. FAIR VALUE MEASUREMENTS (CONT'D)

- (d) Financial assets and financial liabilities not carried at fair value but for which fair value is disclosed (cont'd)

	2025					
	Fair value measurements at the end of the reporting period using					
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant observable inputs (Level 3) US\$'000	Total US\$'000	Carrying amount US\$'000	
	Company					
	Assets					
Amount due from a subsidiary (Note 20(b))	-	15,704	-	15,704	15,704	

	2024					
	Fair value measurements at the end of the reporting period using					
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant observable inputs (Level 3) US\$'000	Total US\$'000	Carrying amount US\$'000	
	Company					
	Assets					
Amount due from a subsidiary (Note 20(b))	-	16,458	-	16,458	16,458	

Determination of fair value

Bank borrowings and an amount due from a subsidiary

The fair values as disclosed in the tables above are estimated by discounting expected future cash flows at the market incremental market rates for similar types of borrowings and deposits at the end of the reporting period. The Group's own non-performance risk for bank borrowings as at 31 December 2025 and 2024 was assessed to be insignificant. The credit risk of the amount due from a subsidiary was considered insignificant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

8. FINANCIAL INFORMATION BY OPERATING SEGMENTS

8A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments.

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services: (1) LCD Backlight Units, (2) Office Automation, (3) OEM and Accessories; and (4) Others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the Board of Directors (who are identified as the chief operating decision makers) in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Two or more operating segments may be aggregated into a single operating segment if in the judgement of management the segments have similar economic characteristics, and the segments are similar in some aspects such as the nature of the products and services; production processes; type or class of customer; distribution methods.

The segments and the types of products and services are as follows:

LCD Backlight Units segment is a manufacturer of LCD backlight units for LCD modules.

Office Automation segment is a manufacturer and a seller of parts and precision accessories for office equipment and electrical appliances.

OEM and Accessories segment is an original equipment manufacturer, a manufacturer and a seller of parts and precision accessories for LCD modules.

Others segment includes businesses of general trading, food and beverage, Bio-Tech related research and development, health care and beauty products and the holding of Bio-related intellectual properties.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the material accounting policy information.

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interest and income taxes (called "Recurring EBITDA") and (2) operating results before interest income and income taxes and other unallocated items (called "ORBIT").

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

8. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

8B. Segment profit or loss and reconciliations

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Unallocated US\$'000	Group US\$'000
Year ended 31 December 2025						
Revenue by segment						
Total revenue by segment	39,293	7,123	40,937	2,530	-	89,883
Inter-segment sales	-	(2,517)	-	-	-	(2,517)
Total revenue	39,293	4,606	40,937	2,530	-	87,366
Recurring EBITDA						
Finance costs	-	-	-	-	(342)	(342)
Depreciation of property, plant and equipment	(591)	(54)	(273)	(15)	-	(933)
Depreciation of right-of-use assets	(628)	(161)	(736)	(54)	-	(1,579)
ORBIT	1,085	(1,206)	1,450	(1,706)	(2,440)	(2,817)
Interest income	-	-	-	-	309	309
Loss before tax						(2,508)
Income tax expense						(351)
Loss for the year						(2,859)

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Unallocated US\$'000	Group US\$'000
Year ended 31 December 2024						
Revenue by segment						
Total revenue by segment	42,039	11,142	32,969	2,533	-	88,683
Inter-segment sales	-	(2,773)	(115)	-	-	(2,888)
Total revenue	42,039	8,369	32,854	2,533	-	85,795
Recurring EBITDA						
Finance costs	-	-	-	-	(327)	(327)
Depreciation of property, plant and equipment	(631)	(106)	(599)	(23)	-	(1,359)
Depreciation of right-of-use assets	(672)	(226)	(597)	(60)	-	(1,555)
ORBIT	171	(1,481)	714	(2,231)	(2,213)	(5,040)
Interest income	-	-	-	-	375	375
Gain on disposal of subsidiaries	-	-	-	-	23	23
Loss on deregistration of a subsidiary	-	-	-	-	(128)	(128)
Loss before tax						(4,770)
Income tax expense						(189)
Loss for the year						(4,959)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

8. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

8C. Segment assets and reconciliations

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Unallocated US\$'000	Group US\$'000
2025						
Total assets for reportable segments	26,340	4,209	23,096	13,689	-	67,334
Unallocated:						
Other unallocated amounts	-	-	-	-	859	859
Total Group assets	26,340	4,209	23,096	13,689	859	68,193
2024						
Total assets for reportable segments	28,352	6,722	33,638	14,070	-	82,782
Unallocated:						
Elimination of intercompany balances						
Other unallocated amounts	-	-	-	-	1,456	1,456
Total Group assets	28,352	6,722	33,638	14,070	1,456	84,238

8D. Segment liabilities and reconciliations

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Unallocated US\$'000	Group US\$'000
2025						
Total liabilities for reportable segments	9,906	1,055	10,012	352	-	21,325
Unallocated:						
Other unallocated amounts	-	-	-	-	8,520	8,520
Total Group liabilities	9,906	1,055	10,012	352	8,520	29,845
2024						
Total liabilities for reportable segments	11,547	2,785	16,008	445	-	30,785
Unallocated:						
Elimination of intercompany balances						
Other unallocated amounts	-	-	-	-	9,882	9,882
Total Group liabilities	11,547	2,785	16,008	445	9,882	40,667

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

8. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

8E. Other material items and reconciliations

	LCD Backlight Units US\$'000	Office Automation US\$'000	OEM and Accessories US\$'000	Others US\$'000	Unallocated US\$'000	Group US\$'000
Capital expenditure:						
2025	515	10	483	1	-	1,009
2024	344	59	213	9	-	625
Cost of inventories sold:						
2025	33,481	4,394	34,574	1,728	-	74,177
2024	36,342	6,817	27,274	1,811	-	72,244
Staff costs:						
2025	8,050	1,634	4,920	1,440	-	16,044
2024	9,084	2,748	4,705	1,258	-	17,795
Additions to right-of-use assets:						
2025	7	1	1	18	-	27
2024	706	104	919	23	-	1,752
Increase/(decrease) in provision for inventories:						
2025	14	58	356	-	-	428
2024	(6)	(172)	(182)	(14)	-	(374)

8F. Geographical information

	Revenue		Non-current assets	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Mainland China	24,143	33,236	2,654	3,076
Hong Kong	34,079	30,688	470	828
Japan	26,798	20,833	1,342	1,809
Others	2,346	1,038	13,630	13,341
	87,366	85,795	18,096	19,054

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

8. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

8G. Revenue from major customers

	Revenue	
	2025	2024
	US\$'000	US\$'000
<u>LCD Backlight Units</u>		
Customer A	17,292	970
Customer B	15,920	31,176
Customer C	3,016	2,775
Customer D	3,000	2,696
Customer E	2,725	832
Customer F	2,026	4,627
<u>OEM and Accessories</u>		
Customer G	32,035	27,244

9. REVENUE

An analysis of revenue is as follows:

	Group	
	2025	2024
	US\$'000	US\$'000
<u>Revenue from contracts with customers</u>		
LCD Backlight Units	39,293	42,040
Office Automation	4,606	8,370
OEM and Accessories	40,937	32,853
Others	2,530	2,532
	87,366	85,795

Revenue from contracts with customers

The revenue from sales of goods is recognised on point in time basis. The customers are major Japanese corporations and international cooperations. A large portion of goods is exported to the global market.

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 150 days (2024: 30 to 150 days) from delivery, except for new customers, where payment in advance is normally required or a credit review is performed before any credit term is granted.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

10. OTHER INCOME

	Group	
	2025	2024
	US\$'000	US\$'000
Interest income	309	375
Compensation from government	16	41
ECL of trade receivables written back	-	4
Gain on disposal of property, plant and equipment	17	-
Gain on termination of lease contracts	1	-
Sundry income	120	148
	463	568

11. ADMINISTRATIVE EXPENSES

	Group	
	2025	2024
	US\$'000	US\$'000
Employee-related expenses	8,958	10,457
Travelling and entertainment expenses	747	1,084
Professional fees	1,385	1,670
Short-term lease expenses	277	466
Utilities and office expenses	765	736
Depreciation of property, plant and equipment	256	301
Depreciation of right-of-use assets	813	699
Development expenses	209	251
Net loss on disposal of property, plant and equipment	-	129
Net foreign exchange loss	41	364
Miscellaneous	400	330
	13,851	16,487

12. FINANCE COSTS

	Group	
	2025	2024
	US\$'000	US\$'000
Interest expense on:		
Bank borrowings	238	210
Lease liabilities	104	117
	342	327

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

13. LOSS BEFORE TAX

The Group's loss before tax is stated after charging/(crediting) the following:

	Group	
	2025	2024
	US\$'000	US\$'000
Audit fees paid to:		
Auditors of the Company	240	253
Other auditors	94	94
Non-audit fees paid to:		
Other auditors	5	6
Employee benefits expense (Note 15)	16,044	17,795
Depreciation of property, plant and equipment (Note 18)	933	1,359
Depreciation of right-of-use assets (Note 19)	1,579	1,555
Increase/(decrease) in provision for inventories (Note 24)	428	(374)
Inventories recognised as an expense in cost of sales (Note 24)	59,471	55,875
Net (gain)/loss on disposal of property, plant and equipment (Note 10 & 11)	(17)	129
Gain on termination of lease contracts (Note 10)	(1)	-
Net foreign exchange loss (Note 11)	41	364
Reversal of ECL on trade receivables, net (Note 6(c))	-	(4)
	<u> </u>	<u> </u>

14. INCOME TAX EXPENSE

14A. Components of income tax expense recognised in profit or loss include:

	Group	
	2025	2024
	US\$'000	US\$'000
<u>Current tax expense:</u>		
Provision for the year	214	175
Under/(over)-provision in prior years	31	(8)
Withholding tax	83	45
<u>Deferred tax expense:</u>		
Deferred tax (Note 14B)	23	(23)
	<u> </u>	<u> </u>
	<u>351</u>	<u>189</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

14. INCOME TAX EXPENSE (CONT'D)

14A. Components of income tax expense recognised in profit or loss include: (cont'd)

The income tax in profit or loss varied from the amount of income tax expense determined by applying the tax rates applicable to profits in the countries or jurisdictions where the Group operates to profit or loss before income tax as a result of the following differences:

	Group	
	2025	2024
	US\$'000	US\$'000
Loss before tax	(2,508)	(4,770)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(546)	(1,247)
Adjustments:		
Non-deductible expenses	279	421
Income not subject to taxation	(104)	(180)
Tax losses not recognised	646	1,131
Utilisation of prior year's tax losses	-	(67)
Under/(over)-provision in prior years	31	(8)
Effect of temporary differences not recognised	(62)	112
Withholding tax	83	45
Others	24	(18)
Income tax expense recognised in profit or loss	351	189

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The weighted average applicable tax rate is 21.77% (2024: 26.14%). The change of the applicable tax rate was mainly due to the change of the composition of profitable subsidiaries in different countries of the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

14. INCOME TAX EXPENSE (CONT'D)

14B. DEFERRED TAX

	Group			
	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Deferred tax liabilities				
Withholding tax on undistributed earnings of the PRC subsidiaries	(41)	(41)	-	-
Fair value adjustment arising from deemed disposal of an associate	(164)	(164)	-	-
Others	(46)	(57)	6	8
Exchange differences	1	6	-	-
	(250)	(256)	6	8
Deferred tax assets				
Difference in depreciation for tax purposes	4	4	-	-
Directors' insurance	3	4	-	1
Others	126	201	(29)	14
Exchange differences	5	(42)	-	-
	138	167	(29)	15
	(112)	(89)		
Deferred tax charge (Note 14A)			(23)	23

Withholding tax on undistributed earnings of the PRC subsidiaries

Pursuant to the Corporate Income Tax ("CIT") Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by its subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable withholding tax rate of the Group was 5% during the year ended 31 December 2025 (2024: 5%).

At 31 December 2025, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries operated in the PRC for which deferred tax liabilities have been recognised is approximately US\$830,000 (2024: US\$830,000).

Unrecognised tax losses

At the end of the reporting period, the Group had tax losses of approximately US\$14,999,000 (2024: US\$12,295,000) that are available for offsetting against future taxable profits of the companies in which the losses arose, for which no deferred tax assets are recognised for these losses due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

15. EMPLOYEE BENEFITS EXPENSE

	Note	Group	
		2025 US\$'000	2024 US\$'000
Employee benefits expense, including directors:			
Salaries and bonuses		14,244	15,919
Defined contribution plans		1,749	1,815
Defined retirement benefit plan	(a)	51	61
		16,044	17,795

(a) Retirement benefit obligations

Tomoike Industrial Co., Limited ("TM Japan") maintains an unfunded defined retirement benefit plan for its directors. The amount for the year of approximately US\$51,000 (2024: US\$61,000) has been charged to profit or loss. The retirement benefit obligations with a carrying amount of US\$188,000 (2024: US\$641,000) at year end represents the present value of the defined retirement benefit plan.

Management is of the view that as the retirement benefit obligation is not significant, the required disclosures under IAS 19 *Employee Benefits* are not material.

(b) Share-based payments - Share performance

The Company adopted share performance scheme, known as Share Performance Scheme 2018 (the "Performance Scheme"), for all employees and directors of the Group. The Performance Scheme was approved by the Company's shareholders in a special general meeting held on 22 June 2018, and is administrated by the committee comprising three directors who are the members of RC. An award granted under the Performance Scheme represents the right to receive fully paid shares of the Company free of charge, upon the Group's employees and directors achieving the prescribed performance conditions (the "Award") as set out in the relevant award approved by the committee at its absolute discretion. Awards are forfeited if the employee leaves the Group before the reward vests. During the years ended 31 December 2025 and 2024, no Awards were granted to any employees and directors under the Performance Scheme.

(c) Key management compensation:

Compensation of directors and key management personnel

	Group	
	2025 US\$'000	2024 US\$'000
Salaries, allowances and benefits in kind	1,856	2,179
Defined contribution plans	19	29
	1,875	2,208
Comprise amounts paid to:		
Directors of the Company	835	831
Other key management personnel	1,040	1,377
	1,875	2,208

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

16. LOSS PER SHARE

Basic loss per share is calculated by dividing loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing loss, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the years ended 31 December 2025 and 2024:

	2025 US\$'000	2024 US\$'000
Loss attributable to owners of the Company	<u>(2,628)</u>	<u>(4,415)</u>
	Number of shares	
	'000	'000
Weighted average number of ordinary shares for the basic and diluted loss per share computation*	<u>225,487</u>	<u>225,487</u>

* The weighted average number of ordinary shares for basic and diluted loss per share excludes treasury shares which had been purchased on the SGX-ST under the Share Purchase Mandate (Note 32).

For the year ended 31 December 2024, no share options were exercised and all outstanding share options expired on 27 August 2024. Accordingly, there were no dilutive potential ordinary shares for the year, and the diluted loss per share was the same as the basic loss per share.

During the year 31 December 2025, the Group had no share options outstanding. As a result, there were no dilutive potential ordinary shares for the year ended 31 December 2025, and the diluted loss per share was identical to the basic loss per share.

17. DIVIDENDS

	Group and Company	
	2025 US\$'000	2024 US\$'000
Declared and paid during the financial year:		
<i>Dividends on ordinary shares:</i>		
Interim exempt dividend for 2025: US0.4 cents per share	902	-
Final exempt dividend for 2024: US0.4 cents per share	902	-
Special exempt dividend for 2024: US0.2 cents per share	451	-
Interim exempt dividend for 2024: US0.3 cents per share	-	676
Final exempt dividend for 2023: US0.7 cents per share	-	1,578
	<u>2,255</u>	<u>2,254</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

18. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US\$'000	Plant and machinery US\$'000	Furniture, fixtures and equipment US\$'000	Leasehold improvements US\$'000	Motor vehicles US\$'000	Total US\$'000
GROUP						
Cost						
As at 1 January 2024	2,078	11,795	2,612	6,358	505	23,348
Additions	-	417	86	112	10	625
Disposals	-	(1,813)	(299)	(399)	(119)	(2,630)
Exchange differences	(137)	(177)	(99)	(147)	(9)	(569)
As at 31 December 2024 and 1 January 2025	1,941	10,222	2,300	5,924	387	20,774
Additions	-	871	18	79	41	1,009
Disposals	-	(553)	(252)	-	(130)	(935)
Exchange differences	(20)	179	6	89	5	259
As at 31 December 2025	1,921	10,719	2,072	6,092	303	21,107
Accumulated depreciation and impairment loss						
As at 1 January 2024	720	9,462	1,996	5,925	453	18,556
Depreciation	319	648	193	185	14	1,359
Disposals	-	(1,636)	(243)	(363)	(115)	(2,357)
Exchange differences	(65)	(140)	(64)	(134)	(4)	(407)
As at 31 December 2024 and 1 January 2025	974	8,334	1,882	5,613	348	17,151
Depreciation	24	626	105	163	15	933
Disposals	-	(434)	(214)	-	(122)	(770)
Exchange differences	(13)	150	2	89	4	232
As at 31 December 2025	985	8,676	1,775	5,865	245	17,546
Net carrying amount						
As at 31 December 2024	967	1,888	418	311	39	3,623
As at 31 December 2025	936	2,043	297	227	58	3,561

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

19. RIGHT-OF-USE ASSETS

The carrying amounts of the Group's right-of-use assets recognised and the movements during the year are as follows:

	Lease properties US\$'000	Motor vehicles and machineries US\$'000	Total US\$'000
As at 1 January 2024	2,248	32	2,280
Additions	1,741	11	1,752
Depreciation charge	(1,535)	(20)	(1,555)
Exchange differences	(54)	(4)	(58)
As at 31 December 2024 and 1 January 2025	2,400	19	2,419
Additions (Note 30)	17	10	27
Lease modifications (Note 30)	811	17	828
Termination of contracts	(41)	-	(41)
Depreciation charge	(1,559)	(20)	(1,579)
Exchange differences	24	(1)	23
As at 31 December 2025	1,652	25	1,677

20. INVESTMENTS IN SUBSIDIARIES

(a)	Company	
	2025 US\$'000	2024 US\$'000
Unquoted equity shares, at cost	9,700	9,700
Recognition of share-based payments	1,634	1,634
	11,334	11,334

- (b) The amount due from a subsidiary of US\$15,704,000 (2024: US\$16,458,000) included in the Company's non-current assets is unsecured and interest free and is not repayable within 12 months from the end of the reporting period.

Management considered the fair value of the amount due from a subsidiary is US\$15,704,000 (2024: US\$16,458,000). Given there was no history of default in prior years, management considered that the default rate of financial assets and the ECL rate were minimal.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

20. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Details of the Company's subsidiaries are as follows:

Name	Place of incorporation/ establishment	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
Held by the Company				
Tomoike Industrial (Hong Kong) Holding Limited ^(iv) ("TM Hong Kong BVI")	British Virgin Islands ("BVI")	Investment holding	100.0	100.0
Held by TM Hong Kong BVI				
Tomoike Industrial (H.K.) Limited ⁽ⁱ⁾ ("TM Hong Kong")	Hong Kong	Trading of parts and precision accessories for office equipment, electrical appliances and LCD modules, and LCD backlight units for LCD modules	100.0	100.0
Held by TM Hong Kong				
Tomoike Precision Machinery (Shanghai) Co., Limited ⁽ⁱⁱ⁾ ("TM Shanghai")	Shanghai, PRC	Manufacture and trading of parts and precision accessories for office equipment and electrical appliances	100.0	100.0
Tomoike Industrial Co., Limited ⁽ⁱⁱⁱ⁾ ("TM Japan")	Osaka, Japan	Manufacture of LCD backlight units for LCD modules, manufacture and trading of parts and precision accessories for office equipment, electrical appliances and LCD modules	99.9	99.9
Crystal Display (Shanghai) Holding Limited ^(iv) ("CD Shanghai BVI")	BVI	Investment holding	100.0	100.0
Crystal Display Components (Shanghai) Co., Limited ⁽ⁱⁱ⁾ ("CD Shanghai")	Shanghai, PRC	Manufacture of LCD backlight units for LCD modules	100.0	100.0
Tomoike Precision Machinery (Dongguan) Co., Limited ⁽ⁱⁱⁱ⁾ ("TM Dongguan")	Dongguan, PRC	Manufacture and trading of parts and precision accessories for LCD modules and electrical appliances and manufacture of LCD backlight units for LCD modules	100.0	100.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

20. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Details of the Company's subsidiaries are as follows: (cont'd)

Name	Place of incorporation/ establishment	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
Held by TM Hong Kong (cont'd)				
Tomoike Bio Limited ⁽ⁱ⁾ ("TM Bio")	Hong Kong	Marketing and promotion of the application of bio-related patents	100.0	100.0
TWB Co., Limited ^(iv) ("TWB")	Osaka, Japan	Provision of food and beverage	99.9	99.9
Tomoike Industrial (Philippines) Incorporated ^(iv) ("TM Philippines")	Philippines	Manufacture, processing and assembly of printed circuit board, mobile payment device, niche precision components and insulating materials	100.0	100.0
A Biotech Co., Ltd ^(v) ("ABio")	Seoul, Korea	Application of biotechnology to research and development of antibody related products, and their manufacturing and sale and provision of service	79.6	79.6
Held by TM Hong Kong and TM Bio				
Bangladesh Japan Cooperation Company Limited ^(iv) ("BJ Cooperation")	Bangladesh	Liaison office, general trading and other businesses	100.0	100.0
Held by TM Bio				
CDW Life Science Limited ^(iv) ("CLS")	Osaka, Japan	Provision of Bio-Tech related research and development; manufacture, sale and marketing of healthcare and beauty products; and acquisition and holding of intellectual property	99.9	99.9
GSP Enterprise Inc. ^(iv) ("GSP")	Osaka, Japan	Provision of Bio-Tech related research and development	95.0	95.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

20. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Details of the Company's subsidiaries are as follows: (cont'd)

Name	Place of incorporation/ establishment	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
Held by TWB				
Menkobo Muguruma Co., Limited ^(iv) ("Muguruma")	Kagawa, Japan	Provision of food and beverage	99.9	99.9
Held by CD Shanghai				
Tuo Mao Enterprise Management Advisory (Shanghai) Co., Limited ^(iv) ("TOMO")	Shanghai, PRC	Provision of food and beverage management and advisory services	100.0	100.0

(i) Audited by RSM Hong Kong, a member of RSM International.

(ii) Audited by member firms of RSM International.

(iii) Audited by member firms of RSM International for consolidation purpose.

(iv) Not audited, as it is immaterial.

(v) Not audited, as it is not required by local rules and regulations.

21. INVESTMENT IN AN ASSOCIATE

The Group's investment in an associate is summarised below:

	Group	
	2025 US\$'000	2024 US\$'000
Carrying value comprising:		
Share of net assets	36	36
Goodwill on acquisition	1,486	1,486
	1,522	1,522
Less: Impairment loss (*)	(1,522)	(1,522)
	-	-

* 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

21. INVESTMENT IN AN ASSOCIATE (CONT'D)

(a) Particulars of the associate is as follows:

Name	Registered share capital held	Place of establishment	Principal activity	Proportion of ownership interest	
				2025 %	2024 %
Suzhou Pengfu	RMB1,080,000	Suzhou, PRC	Manufacture of light guide panels	25.0	25.0

The Group's shareholdings in the associate comprise equity shares held by a wholly-owned subsidiary of the Company.

(b)

	Group	
	2025 US\$'000	2024 US\$'000
Amount due to an associate	387	400

The amount due to an associate is trade in nature and non-interest bearing and is generally settled on terms of 30 to 45 days.

22. INVESTMENTS

	Group	
	2025 US\$'000	2024 US\$'000
Non-current:		
Equity investments designated at FVTOCI		
Listed equity investment at fair value Sharp Corporation	41	53
Unlisted equity investment at fair value ELECTRINE INC.	-	434
	41	487

The above equity investments under non-current assets were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.

During the year ended 31 December 2025, an aggregate fair value loss of US\$446,000 (2024: US\$131,000) was recognised in other comprehensive income.

The Group's investments denominated in foreign currencies of the respective entities at 31 December are as follows:

	Group	
	2025 US\$'000	2024 US\$'000
Korean Won ("KRW")	-	434

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

23. OTHER ASSETS

	Group	
	2025 US\$'000	2024 US\$'000
Directors' insurance	14	87
Rental and utility deposits	170	333
Others	28	27
	212	447

Directors' insurance represents the surrender values of an insurance policy taken by TM Japan, a subsidiary of the Company. Under the policy, TM Japan pays premiums, incurs a portion of such payments and records a recoverable amount approximating to the surrender values of the insurance policy. Upon maturity of the insurance policy, the payouts by the insurance company will be retained by TM Japan. Payouts by the insurance company on any death claims during the insured period will be made to TM Japan.

24. INVENTORIES

	Group	
	2025 US\$'000	2024 US\$'000
Raw materials	6,804	18,317
Work-in-progress	16	27
Finished goods	2,542	2,956
	9,362	21,300

Inventories are stated after allowance

Movements in allowance are as follows:

As at 1 January	194	576
Debit/(credit) to profit or loss included in cost of sales (*)	428	(374)
Exchange differences	8	(8)
As at 31 December	630	194

Consolidated statement of profit or loss:

Inventories recognised as an expense in cost of sales (Note 13)	59,471	55,875
Inclusive of the increase/(decrease) in provision for inventories included in cost of sales (Note 13)	428	(374)

* For the year ended 31 December 2024, due to changes in market conditions for the Group's products, there was a significant increase in the net realisable value of inventories. As a result, an inventory allowance of US\$374,000 that had been made in prior years was reversed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Trade receivables	13,316	13,223	-	-
Other receivables	1,237	2,073	-	-
Prepayments	380	527	43	55
Value-added tax recoverable	320	223	-	-
Deposits	299	141	-	-
	15,552	16,187	43	55
Allowance for ECL				
- Trade receivables (Note 6(c))	(7)	(7)	-	-
	15,545	16,180	43	55

Trade receivables

Trade receivables are non-interest-bearing and are generally on terms ranging from 30 to 150 days (2024: 30 to 150 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Other receivables

The Group's trade and other receivables denominated in foreign currencies of the respective entities at 31 December are as follows:

	Group	
	2025 US\$'000	2024 US\$'000
US\$	10,735	10,362

26. PLEDGED BANK DEPOSIT AND CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Cash at banks and on hand	14,727	18,693	102	109
Short-term deposits	7,078	7,147	-	-
	21,805	25,840	102	109
Time deposits with original maturity of over three months	2,597	710	-	-
	24,402	26,550	102	109
Pledged bank deposit	500	500	-	-

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

26. PLEDGED BANK DEPOSIT AND CASH AND CASH EQUIVALENTS (CONT'D)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 10 days to 90 days (2024: 7 days and 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 31 December 2025 for the Group was 3.2% (2024: 3.9%) per annum.

The Group's pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in note 29 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 at 31 December are as follows:

	Group	
	2025	2024
	US\$'000	US\$'000
JPY	431	206
US\$	13,684	15,859
RMB	75	32
SG\$	63	84

27. GOODWILL

	Group	
	2025	2024
	US\$'000	US\$'000
Cost		
As at 1 January	13,661	16,042
Exchange realignment	79	(2,381)
As at 31 December	13,740	13,661
Accumulated impairment		
As at 1 January and 31 December	(1,632)	(1,632)
Net carrying amount		
As at 31 December	12,108	12,029

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

27. GOODWILL (CONT'D)

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2025 US\$'000	2024 US\$'000
LCD Backlight Units:		
TM Japan	-	-
Others - Life Sciences:		
GSP	-	-
ABio	12,108	12,029
	12,108	12,029

In addition to goodwill, property, plant and equipment, right-of-use assets and other intangible assets that generate cash flows together with the related goodwill are also included in the respective CGU for the purpose of impairment assessment.

The recoverable amount using fair value less costs of disposal under a market approach, supported by comparable company trading data, sector market movements and a control premium, and reference to prior ordinary shares' transactions of the CGU. Based on the indicated equity value and after adjusting for operating assets and liabilities, the recoverable amount exceeded the carrying amount of the CGU, and therefore no impairment of goodwill was recognised for the year ended 31 December 2025 (2024: Nil).

Full impairment on the goodwill of TM Japan and GSP was made in prior years.

The fair value measurement of the CGU is categorised within Level 3 of the fair value hierarchy as at 31 December 2025 and 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

28. OTHER INTANGIBLE ASSETS

	IPR&D US\$'000	Patents US\$'000	Web site costs US\$'000	Total US\$'000
Cost				
As at 1 January 2024	602	8	-	610
Additions	-	-	5	5
Exchange differences	(71)	-	-	(71)
As at 31 December 2024 and 1 January 2025	531	8	5	544
Exchange differences	3	-	-	3
As at 31 December 2025	534	8	5	547
Accumulated amortisation and impairment losses				
As at 1 January 2024	-	7	-	7
Amortisation for the year	-	1	-	1
As at 31 December 2024 and 1 January 2025	-	8	-	8
Amortisation for the year	-	-	1	1
As at 31 December 2025	-	8	1	9
Carrying amount				
As at 31 December 2025	534	-	4	538
As at 31 December 2024	531	-	5	536

Other intangible assets included IPR&D which are not ready for use, therefore, these intangible assets have not been amortised. The IPR&D is assessed for impairment together with the related goodwill (Note 27).

The patents were fully amortised during year 2024.

The web site costs were incurred in December 2024 and the remaining amortisation period is 4 years. (2024: 5 years)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

29. BANK BORROWINGS

	Maturity	Group	
		2025 US\$'000	2024 US\$'000
Current:			
Bank borrowings, secured	On demand	-	1,908
Bank borrowings, unsecured	2026 (2024: 2025)	1,799	3,960
		1,799	5,868
Non-current:			
Bank borrowings, unsecured	2028 (2024: Nil)	4,003	-
Total bank borrowings		5,802	5,868

Further analysis of the principal amount of bank borrowings are set out below:

	Group	
	2025 US\$'000	2024 US\$'000
Bank borrowings, fixed rate	4,568	750
Bank borrowings, floating rate	1,234	5,118
	5,802	5,868

The bank borrowings are interest bearing at rates ranging from 2.70% to 4.83% (2024: 4.66% to 6.49%) per annum.

Management considered the fair value of the Group's fixed rate bank borrowings is US\$4,605,000 (2024: US\$753,000). (Note 7(d))

The Group's bank borrowings denominated in foreign currencies of the respective entities as at 31 December are as follows:

	Group	
	2025 US\$'000	2024 US\$'000
US\$	-	5,868
Hong Kong dollar ("HK\$")	4,568	-
RMB	1,234	-

The details of pledged assets and collaterals to the Group's borrowings are as follows:

As at 31 December 2024, bank loans amounting to US\$1,908,000 were secured by charges over the Group's pledged bank deposits. These loans were fully repaid before the year ended 31 December 2025.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

29. BANK BORROWINGS (CONT'D)

The details of loan covenants of the Group's borrowing are as follows:

All of the Group's banking facilities are subject to the fulfillment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related borrowings would become payable on demand.

30. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movements during the year are as follows:

	Group	
	2025	2024
	US\$'000	US\$'000
As at 1 January	2,496	2,341
New leases (Note 19)	27	1,752
Lease modifications (Note 19)	828	-
Termination of contracts	(42)	-
Interest expense	104	117
Principal portion of lease payments	(1,553)	(1,531)
Interest element on lease liabilities	(104)	(117)
Exchange differences	6	(66)
As at 31 December	<u>1,762</u>	<u>2,496</u>
Analysed into:		
Current portion	1,025	1,289
Non-current portion	737	1,207
	<u>1,762</u>	<u>2,496</u>

The maturity analysis of lease liabilities is disclosed in note 6(d) to the financial statements.

The amounts recognised in/(credited to) profit or loss in relation to leases are as follows:

	2025	2024
	US\$'000	US\$'000
Interest on lease liabilities (Note 12)	104	117
Depreciation charge of right-of-use assets (Note 19)	1,579	1,555
Expense related to short-term leases (included in administrative expenses) (Note 11)	277	466
Gain on termination of lease contracts (Note 10)	(1)	-
Total amount recognised in profit or loss	<u>1,959</u>	<u>2,138</u>

The weighted average incremental borrowing rates applied to lease liabilities range from 2.07% to 4.90% (2024: from 1.65% to 4.85%).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

30. LEASE LIABILITIES (CONT'D)

Lease liabilities of US\$1,762,000 (2024: US\$2,496,000) are recognised with related right-of-use assets of US\$1,677,000 (2024: US\$2,419,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

For both years, the Group leases various offices, factory premises and warehouses for its operations. Lease contracts are entered into for fixed terms of 2 years to 10 years (2024: 2 years to 10 years), but may have extension and termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The related right-of-use assets are disclosed in note 19.

31. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Trade payables	12,550	17,624	-	-
Other payables	7,742	11,760	103	50
Accruals	1,164	1,511	26	61
	21,456	30,895	129	111

Trade payables

Trade payables are non-interest-bearing and are generally settled on terms of 30 to 120 days (2024: 30 to 120 days).

The Group's trade and other payables denominated in foreign currencies of the respective entities at 31 December are as follows:

	Group	
	2025 US\$'000	2024 US\$'000
JPY	52	86
US\$	7,082	12,304

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

31. TRADE AND OTHER PAYABLES (CONT'D)

Contract liabilities

Details of contract liabilities included in other payables as at 31 December 2025 and 2024 are as follows:

	Group	
	2025	2024
	US\$'000	US\$'000
Short-term advances received from customers		
Sales of goods	5,650	9,707

Contract liabilities included short-term advances received from customers to deliver industrial products.

32. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	Group and Company			
	2025		2024	
	Number of ordinary shares of US\$0.04 each	US\$	Number of ordinary shares of US\$0.04 each	US\$
Authorised				
As at 1 January and 31 December	750,000,000	30,000,000	750,000,000	30,000,000
Issued and fully paid up				
As at 1 January and 31 December	252,177,110	10,087,000	252,177,110	10,087,000

As at 31 December 2025, 26,689,702 (2024: 26,689,702) ordinary shares included in the above shares had been purchased on the SGX-ST under the Share Purchase Mandate and were held as treasury shares.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote without restrictions.

(b) Treasury shares

	Group and Company	
	Number of ordinary shares	US\$'000
As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	26,690	4,016

Treasury shares relate to ordinary shares of the Company that are held by the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

33. NATURE AND PURPOSES OF RESERVES

Share capital reserve

Share capital reserve represents the proceeds received upon the exercise of share options net of cost of treasury shares transferred to the grantee to satisfy the share options exercised.

Merger reserve

Merger Reserve represents the difference between the combined share capital of the entities in the merged Group and the capital of the Company arising from a restructuring exercise undertaken in 2005.

Statutory reserve fund ("SRF")

In accordance with the Foreign Enterprise Law applicable to the subsidiary in the PRC, a subsidiary is required to make appropriation to the SRF. At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

Enterprise expansion fund

The enterprise expansion fund can be used for business expansion or conversion into capital, provided that such conversion is approved by a resolution at a shareholders' meeting.

The amount of the profit after tax to be transferred to the enterprise expansion fund is determined by the boards of directors of the PRC subsidiaries or the articles of associations of the PRC subsidiaries.

Other reserves

Other reserves represent the staff welfare fund appropriated from retained earnings at a discretionary percentage of profit after tax for the year.

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of equity investments designated at FVTOCI until they are disposed of or impaired.

Foreign currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into US\$ are brought to account by recognising those exchange differences in other comprehensive income and accumulating them under the foreign currency translation reserve.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

34. CAPITAL MANAGEMENT OBJECTIVES AND POLICIES

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of the Group's operation condition. To maintain or adjust the capital structure, the Group will balance its overall capital structure through payment of dividends, new share issues and share buy-back as well as the issue of new debts or the redemption of existing debts. The Group also reviews the capital structure on a semi-annual basis and whenever necessary. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

As disclosed in note 33, certain subsidiaries of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable SRF whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is total bank borrowings and lease liabilities (2024: total bank borrowings and lease liabilities) for the Group, divided by shareholders' equity. The gearing ratio as at 31 December 2025 was 19.0% (2024: 18.6%).

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2025, the Group had non-cash additions and modifications to right-of-use assets and lease liabilities of US\$855,000 (2024: US\$1,752,000) and US\$855,000 (2024: US\$1,752,000), respectively, in respect of lease arrangement for leased properties and motor vehicles.

(b) Changes in liabilities arising from financing activities

	2025	
	Bank borrowings	Lease liabilities
	US\$'000	US\$'000
As at 1 January 2025	5,868	2,496
Proceeds from bank borrowings	11,231	-
Repayment of bank borrowings	(11,325)	-
New leases	-	27
Lease modifications	-	828
Termination of contracts	-	(42)
Interest expense	-	104
Repayment of principal portion of lease payments	-	(1,553)
Repayment of interest element on lease liabilities	-	(104)
Exchange differences	28	6
As at 31 December 2025	<u>5,802</u>	<u>1,762</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(b) Changes in liabilities arising from financing activities (cont'd)

	2024	
	Bank borrowings US\$'000	Lease liabilities US\$'000
As at 1 January 2024	7,500	2,341
Proceeds from bank borrowings	5,317	-
Repayment of bank borrowings	(6,949)	-
New leases	-	1,752
Termination of contracts	-	-
Interest expense	-	117
Repayment of principal portion of lease payments	-	(1,531)
Repayment of interest element on lease liabilities	-	(117)
Exchange differences	-	(66)
As at 31 December 2024	<u>5,868</u>	<u>2,496</u>

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025 US\$'000	2024 US\$'000
Within operating activities (Note 11)	277	466
Within financing activities	1,657	1,648
	<u>1,934</u>	<u>2,114</u>

(d) Disposal of subsidiaries

On 27 September 2024, TM Hong Kong, a wholly owned subsidiary of the Company, entered into a Share Sale and Purchase Agreement with an independent third party for a disposal of the entire issued share capital of wholly owned subsidiaries, Wah Hang Precision Machinery (H.K.) Limited with its subsidiary, Wah Hang Precision Machinery (Dongguan) Limited, at an aggregate consideration of approximately US\$24,000. The transaction was completed on 27 September 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

(d) Disposal of subsidiaries (cont'd)

Net assets at the date of disposal were as follows:

	US\$'000
Bank and cash balances	15
Other receivables	1
Other payables	(2)
Net assets disposed of	14
Release of foreign currency translation reserve	(13)
Gain on disposal of subsidiaries	23
Total consideration	24
Consideration satisfied by cash	24
Net cash inflow arising on disposal:	
Cash consideration received	24
Cash and cash equivalents disposed of	(15)
	9

(e) Deregistration of a subsidiary

Pursuant to an approval of deregistration issued by the local authority, Minami Tec (Wuxi) Co., Limited, a wholly owned subsidiary of the Company, was deregistered during the year. The deregistration was completed on 30 September 2024.

Net assets at the date of deregistration were as follows:

	US\$'000
Net assets	-
Realisation of foreign currency translation reserve	128
Loss on deregistration of a subsidiary	(128)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

36. RELATED PARTY RELATIONSHIP AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the Group to disclose: (a) related party relationship, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between these related party. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

(a) Related party

Name	Relationship	Country of incorporation
Suzhou Pengfu	Associated company	The PRC

(b) Related party transactions

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, this item includes the following significant related party transactions:

	Note	Group	
		2025 US\$'000	2024 US\$'000
Controlling shareholder:			
Advisory fee	(i)	231	231
Associate:			
Purchases of products	(ii)	<u>1,259</u>	<u>1,161</u>

Notes:

- (i) The Group paid advisory fee to 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.

STATISTICS OF SHAREHOLDINGS

As at 23 March 2026

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	18	1.43	923	0.00
100 - 1,000	257	20.36	186,955	0.08
1,001 - 10,000	364	28.84	2,201,800	0.98
10,001 - 1,000,000	603	47.78	54,807,281	24.31
1,000,001 AND ABOVE	20	1.59	168,290,449	74.63
TOTAL	1,262	100.00	225,487,408	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	MIKUNI CO., LIMITED	95,500,000	42.35
2	DBS NOMINEES (PRIVATE) LIMITED	20,174,550	8.95
3	PHILLIP SECURITIES PTE LTD	12,334,400	5.47
4	KWOK HOI SUI	10,403,950	4.61
5	LAI WENG KAY	4,777,550	2.12
6	OCBC SECURITIES PRIVATE LIMITED	4,053,200	1.80
7	NG HWEE KOON	3,149,950	1.40
8	RAFFLES NOMINEES (PTE.) LIMITED	2,036,149	0.90
9	LEE CHUE CHYE, LIONEL	2,000,000	0.89
10	ENG KOON HOCK	1,786,400	0.79
11	CHAN HIANG NGEE	1,638,200	0.73
12	UOB KAY HIAN PRIVATE LIMITED	1,450,800	0.64
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,189,500	0.53
14	KHOR KIAN BENG	1,180,000	0.52
15	TOH GUAN HENG	1,171,000	0.52
16	QUAH SIEW ENG EILEEN	1,165,000	0.52
17	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	1,110,650	0.49
18	LEOW BENG LEE (LIAO MINGLI)	1,089,000	0.48
19	LIM BUAN HUA	1,079,350	0.48
20	CHIA SENG HEE	1,000,800	0.44
	TOTAL	168,290,449	74.63

STATISTICS OF SHAREHOLDINGS

As at 23 March 2026

Class of equity securities	:	Ordinary share
No. of equity securities (excluding treasury shares)	:	225,487,408
Voting rights	:	One vote per share. The Company cannot exercise any voting rights in respect of the shares held by it as treasury shares.

As at 23 March 2026, the total number of treasury shares held is 26,689,702. The treasury shares as a percentage of the total number of issued shares excluding treasury shares is 11.84%.

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 23 MARCH 2026

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Mikuni Co., Limited	105,109,550 ^(Note 1)	46.61	-	-
Yoshimi, Kunikazu	-	-	105,109,550 ^(Note 2)	46.61

Notes:

- 9,609,550 shares owned are held through a nominee account.
- Mr Yoshimi Kunikazu is deemed interested in the shares held by Mikuni Co., Limited ("Mikuni") by virtue of his shareholdings in Mikuni.

PUBLIC FLOAT

As at 23 March 2026, 52.87% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

This Notice has been made available on SGXNet and the Company's website at <https://cdw-holding.com.hk>.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CDW Holding Limited (the "**Company**") will be held at Kallang Room, Level 4, Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on Thursday, 30 April 2026 at 2.00 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of the Directors and the Audited Financial Statements of the Company for the year ended 31 December 2025 together with the Independent Auditors' Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company retiring pursuant to the provision 104 of the By-laws of the Company:

Mr. YAP Tong Teck **(Resolution 2)**
Mr. ENDO Mamoru **(Resolution 3)**

[See Explanatory Note (i)]
3. To approve the payment of Directors' fees up to SG\$220,000 for the year ending 31 December 2026 (2025: SG\$220,000). **(Resolution 4)**
4. To re-appoint RSM SG Assurance LLP and RSM Hong Kong as the Joint Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. Authority to issue shares

That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be empowered to

- (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (aa) new shares arising from the conversion or exercise of any convertible securities;
 - (bb) new shares arising from the exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of SGX-ST; and
 - (cc) any subsequent bonus issue, consolidation or subdivision of shares;Adjustments in accordance with (aa) or (bb) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)]

(Resolution 6)

7. **Authority to issue shares under the CDW Employee Share Option Scheme 2018**

That authority be and is hereby given for the Directors of the Company to offer and grant options under the CDW Employee Share Option Scheme 2018 (the “ESOS”) and to allot and issue and/or deliver (including through the transfer of shares held in treasury by the Company) from time to time such number of fully paid-up ordinary shares as may be required to be allotted, issued and/or delivered pursuant to the exercise of options granted under the ESOS, provided that the total number of ordinary shares over which an option granted or may be granted under the ESOS, when added to the total number of ordinary shares issued and issuable or delivered and deliverable in respect of (a) all options granted under the ESOS and (b) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen per centum (15%) of the number of all issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding such date, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

8. Authority to issue shares under the CDW Share Performance Scheme 2018

That approval be and is hereby given to the Directors of the Company to offer and grant awards under the CDW Share Performance Scheme 2018 (the “**SPS**”) and to allot and issue and/or deliver (including through the transfer of shares held in treasury by the Company) from time to time such number of fully paid-up ordinary shares as may be required to be allotted, issued and/or delivered pursuant to awards granted under the SPS, provided that the total number of ordinary shares over which an award granted or may be granted under the SPS, when added to the total number of ordinary shares issued and issuable or delivered and deliverable in respect of (a) all awards granted under the SPS and (b) all awards, shares and options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen per centum (15%) of the number of all issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding such date, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 8)

9. Proposed Renewal of the Share Purchase Mandate

That:

- (a) Pursuant to Bye-law 7(B) of the Company's bye-laws and the Listing Manual of the SGX-ST, the Directors of the Company be and are hereby authorised to make purchases of or otherwise acquire ordinary shares in the issued share capital of the Company (“**Shares**”) from time to time (whether by way of Market Purchases or Off-Market Purchases on an equal excess scheme) of up to ten per cent. (10%) of the issued ordinary share capital (excluding treasury shares and subsidiary holdings) of the Company (ascertained as at the date of the last annual general meeting (“**AGM**”) of the Company, whichever is the later) during the Relevant Period, or within any one (1) financial year of the Company, whichever is earlier, at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price, in accordance with all other laws, regulations and rules of the SGX-ST, and this mandate (“**Circular**”) shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next AGM of the Company is held or is required by law to be held, whichever is earlier.

- (b) in this Resolution:

“**Relevant Period**” means the period commencing from the date of the passing of this Resolution and expiring on the earlier of (i) the date the next AGM of the Company is held or is required by law to be held, or (ii) the date the said mandate is revoked or varied by the Company in general meeting;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

“**Market Purchases**” means on-market acquisitions of Shares on the SGX-ST through the Central Limit Order Book trading system during the Relevant Period. For the purposes of this definition, a market acquisition means an on-market purchase transacted on SGX-ST through the Central Limit Order Book trading system;

“**Maximum Price**” means the maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall:

- (i) in the case of a Market Purchase not exceed the sum constituting five per cent. (5%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded before the day on which such purchase is made and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period; and

NOTICE OF ANNUAL GENERAL MEETING

- (ii) in the case of an Off-Market Purchase not exceed the sum constituting five per cent. (5%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded immediately preceding the date of offer by the Company and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period.

“**Off-Market Purchases**” means off-market acquisitions of Shares undertaken by the Company during the Relevant Period on an equal access scheme as defined in Section 76C of the Singapore Companies Act, and an “Off-Market Purchase” shall be construed accordingly; and

“**SGX-ST**” means the Singapore Exchange Securities Trading Limited.

[See Explanatory Note (v)]

(Resolution 9)

By Order of the Board

Cho Form Po
Company Secretary

Singapore
8 April 2026

Explanatory Notes:

- (i) The information on other directorships held by Mr. YAP Tong Teck and Mr. ENDO Mamoru as well as the details of their other principal commitments can be found in the Supplemental Information on Re-election of Directors Pursuant to Listing Rule 720(6) section of the Annual Report 2025.
- (ii) The Ordinary Resolution 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (iii) The Ordinary Resolution 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue and/or deliver (including through the transfer of shares held in treasury by the Company) fully paid-up ordinary shares in the Company pursuant to the exercise of options granted or may be granted under the ESOS. The total number of ordinary shares to be allotted, issued and/or delivered over which an option granted or may be granted under the ESOS, when added to the total number of ordinary shares issued and issuable or delivered and deliverable in respect of all other share-based incentive schemes of the Company, shall not exceed fifteen per centum (15%) of the number of all issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding such date.

NOTICE OF ANNUAL GENERAL MEETING

- (iv) The Ordinary Resolution 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue and/or deliver (including through the transfer of shares held in treasury by the Company) fully paid-up ordinary shares in the Company pursuant to the awards granted or may be granted under the SPS. The total number of ordinary shares to be allotted, issued and/or delivered over which an award granted or may be granted under the SPS, when added to the total number of ordinary shares issued and issuable or delivered and deliverable in respect of all other share-based incentive schemes of the Company, shall not exceed fifteen per centum (15%) of the number of all issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding such date.
- (v) The Ordinary Resolution 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is revoked or varied by the Company in a general meeting, or within any one (1) financial year of the Company, whichever is earlier, to make purchases of or otherwise acquire ordinary shares in the issued Shares from time to time (whether by way of Market Purchases or Off-Market Purchases on an equal excess scheme) of up to ten per cent. (10%) of the issued ordinary share capital (excluding treasury shares and subsidiary holdings) of the Company, at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price, in accordance with all other laws, regulations and rules of the SGX-ST.

Information relating to this proposed resolution is set out in the Appendix dated 8 April 2026 accompanying to this notice.

Notes:

Access to Documents of Information Relating to the AGM

1. Printed copies of the Letter to Shareholders, Notice of AGM, Proxy Form and Request Form to request for a physical copy of the Annual Report will be sent by post to members. These documents and the Annual Report will be sent to members of the Company by electronic means via publication on the Company's website at <https://cdw-holding.com.hk/> and the SGXNet at <https://www.sgx.com/securities/company-announcements?value=CDW%20HOLDING%20LIMITED&type=company>

Submission of Proxy Forms to Vote

2. A member (whether individual or corporate) entitled to attend and vote at the AGM is entitled to appoint another person as his/her proxy to attend and vote on his behalf. A member who is the holder of two (2) or more shares may appoint not more than two (2) proxies to attend on the same occasion. The Depository may appoint more than two (2) proxies or a corporate representative. A proxy need not be a member of the Company.
3. A member (whether individual or corporate) may appoint the Chairman of the AGM as proxy to vote on his/her/its behalf at the AGM. He/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution may be treated as invalid.
4. The accompanying proxy form for the AGM may be accessed at the Company's website at <https://cdw-holding.com.hk/> and the SGXNet at <https://www.sgx.com/securities/company-announcements?value=CDW%20HOLDING%20LIMITED&type=company>
5. If a member of the Company, being a Depositor whose name appears in the Depository Register (as defined in Section 815F of the Securities and Futures Act 2001 of Singapore) wishes to appoint proxy(ies) or the Chairman of the AGM as his/her/its proxy to attend, speak and vote in his/her/its stead at the AGM, he/she/it must be shown to have shares entered against his/her/its name in the Depository Register, as certified by The Central Depository (Pte) Limited, at least seventy-two (72) hours before the time of the Meeting.
6. The Proxy Form must be submitted in the following manner:
 - (a) if submitted by post, be deposited at the Registered Office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, be sent via email to srs.proxy@boardroomlimited.com.

in either case, no later than 2:00 PM on 27 April 2026, being not less than seventy-two (72) hours before the time appointed for the AGM.

NOTICE OF ANNUAL GENERAL MEETING

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Members are encouraged to submit completed Proxy Forms electronically via email.

Submission of Questions in Advance

7. All members may also submit their questions relating to the business of the AGM no later than 2.00 p.m. on 16 April 2026.
 - (a) by email to srs.teamc@boardroomlimited.com; or
 - (b) by post to the Registered Office of the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

When sending in your questions, please also provide us with the following details:

- (a) your full name;
 - (b) your address;
 - (c) number of shares held; and
 - (d) the manner in which you hold shares (e.g., via CDP, CPF or SRS).
8. We will endeavour to address all substantial and relevant questions received from members by 23 April 2026 by publishing our responses before the AGM on the Company's website at <https://cdw-holding.com.hk/> and the SGXNet at <https://www.sgx.com/securities/company-announcements?value=CDW%20HOLDING%20LIMITED&type=company>
9. Any reference to a time of day is made by reference to Singapore time.

Personal data privacy:

By submitting an instrument appointing proxy(ies) or a Chairman to as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (a) consents to the collection, use and disclosure of the member's or Depositor's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of the appointment of proxy(ies) or Chairman as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman and Chief Executive Officer
KATO Tomonori

Executive Director
CHEUNG Chi Ming

Lead Independent Director
CHIA Seng Hee

Independent Directors
YAP Tong Teck
ENDO Mamoru

KEY EXECUTIVE OFFICERS

CHAN Kam Wah
KONO Isao
GUI Ling
IMAI Junya

COMPANY SECRETARY

CHO Form Po

AUDIT & RISK COMMITTEE

CHIA Seng Hee (Chairman)
YAP Tong Teck
ENDO Mamoru

REMUNERATION COMMITTEE

ENDO Mamoru (Chairman)
CHIA Seng Hee
YAP Tong Teck

NOMINATING COMMITTEE

YAP Tong Teck (Chairman)
CHIA Seng Hee
ENDO Mamoru

INVESTMENT COMMITTEE

KATO Tomonori (Chairman)
CHEUNG Chi Ming

BERMUDA COMPANY REGISTRATION NUMBER

35127

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street, Hamilton HM10
Bermuda

PRINCIPAL OFFICE

Room 6-10, 11th Floor, CCT Telecom Building
11 Wo Shing Street, Fo Tan, Shatin
New Territories, Hong Kong

SINGAPORE SHARE TRANSFER AGENT

Boardroom Corporate & Advisory Services
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

BERMUDA SHARE REGISTRAR

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street, Hamilton HM10
Bermuda

ASSISTANT SECRETARY

Ocorian Services (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street, Hamilton HM10
Bermuda

AUDITORS

RSM SG Assurance LLP
Public Accountants and Chartered Accountants
8 Wilkie Road, #03-08 Wilkie Edge
Singapore 228095
Audit Partner: CHONG Cheng Yuan
Date of appointment: 28 December 2021

RSM Hong Kong
Certified Public Accountants
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay, Hong Kong
Audit Partner: NG Wai Kwun
Date of appointment: 28 December 2021

INVESTOR RELATIONS

Cogent Communications Pte. Limited
203A Henderson Road #03-02
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