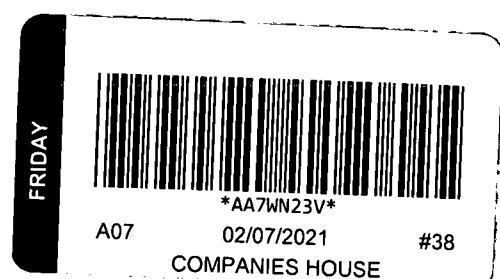


LAIRD ASIA HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended
31 DECEMBER 2020**

Company number: 07093607



LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

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LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

COMPANY INFORMATION

Directors

K M Ferguson
T ET Homer
C M Fussell
M J Read

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ
United Kingdom

Registered office

100 Pall Mall
London
SW1Y 5NQ
United Kingdom

LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**Principal activities**

The principal activity of the Company, Laird Asia Holdings Limited, is that of a holding company. It derives its income from its subsidiary undertakings (“subsidiaries”). The principal activity of the operating subsidiaries is to provide systems, components and solutions that protect electronics from electromagnetic interference and heat, and that enable connectivity in mission critical wireless applications and antennae systems. The Directors anticipate the Company will continue to operate in this manner for the foreseeable future.

Analysis of Key Performance Indicators

Given the nature of the business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the performance and development of the business.

Business review

Profit for the year was £37,158,000 (2019: £55,000). Dividends received by the Company during the year amounted to £42,286,000 (2019: nil).

Principal risks and uncertainties

The Company operates as an intermediate holding company within the AI Ladder (Luxembourg) Subco S.à r.l. group (the “Group”), as its income is derived from its subsidiaries its activities are dependent on the activities of the Group. The risks and uncertainties facing the Company are therefore linked to those of the Group. A discussion of the Group’s risks and uncertainties is contained in the annual report of AI Ladder (Luxembourg) Subco S.à r.l.

The Board has considered the uncertainties arising from Covid-19 and Brexit facing the Group as to the impact on estimates made within these financial statements including on the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements.

The Board believes the impact of Brexit on the future prospects of the Company and its subsidiaries is modest and manageable given the countries in which its subsidiaries operate. There has been no material impact on the Company since the withdrawal on 31 January 2020 to date of approval of the financial statements.

The impact of Covid-19 is more difficult to estimate. There has been no material impact on our activities to date of approval of the financial statements and the Board does not expect a material impact in the future.

LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**Section 172(1) statement**

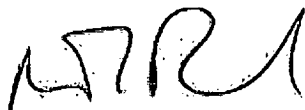
The Board has ultimate responsibility for promoting the success of the Company; Directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the Company.

The Directors have considered the relevant factors in complying with section 172(1). As noted above, the Company operates as an intermediate holding company within the Group. The Group consists of three businesses that are run autonomously by their respective management boards. Each individual business has full responsibility for their own strategy and financial and operational performance with all key trading and operational functions reporting into each individual management board. They are supported by a lean corporate centre that has responsibility for specialist Group Finance, Treasury, Tax and some corporate legal matters.

The Group is committed to high standards of business ethics as documented in the Global Code of Conduct (the "Code"). The Code provides the framework for the policies, processes and procedures relating to human rights, equal opportunity, anti-slavery, ethics, anti-harassment, anti-bribery and corruption, conflicts of interest and regulatory compliance. The Company applies these standards in its decision-making and in its dealings with all stakeholders. The Directors have undertaken an assessment of the principal risks facing the Company, including those that would threaten its business, future performance, solvency and liquidity, as described in 'Principal risks and uncertainties' on the previous page. The Company does not have any employees and does not trade.

Approved and authorised by the Board



M J Read
Director
100 Pall Mall
London
SW1Y 5NQ
United Kingdom

29 June 2021

LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Laird Asia Holdings Limited (the Company) is a private company limited by shares, incorporated in the UK under the Companies Act 2006, and registered in England and Wales.

The Directors present their Annual Report and the audited financial statements of the Company for the year ended 31 December 2020.

Engagement with suppliers, customers and others

The Company's engagement with suppliers, customers and others is addressed in the Section 172(1) statement in the Strategic Report.

Directors

The Directors who served the Company during the year and up to the date of this report were as follows:

K M Ferguson
T ET Homer
C M Fussell
M J Read

Directors' and officers' liability insurance

Insurance has been taken out by the Company (as permitted by Section 236 of the Companies Act 2006) for its Directors and officers against liabilities in relation to the Company. The insurance is a third party indemnity provision, which was in force throughout the last financial year, and is currently in force. There are no outstanding claims or provisions at balance sheet date.

Future developments

The principal activity of the Company is that of a holding company. It does not trade and derives its income from its subsidiaries. The Directors anticipate the Company will continue to operate in this manner for the foreseeable future.

Financial risk management

The company manages financial risk by having access to a Group cash management facility. The Company has positive net assets, and is not reliant on external financing.

Dividends

A dividend of £32,933,000 (2019: £6,081,000) was proposed and paid during the financial year ended 31 December 2020.

Energy and carbon reporting

Information on energy use and carbon emissions is not disclosed as the Company meets the criteria of the low energy use exemption.

Auditor

Deloitte LLP, having expressed their willingness to act, is deemed to continue in office as the Company's auditor.

LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

DIRECTORS' REPORT**FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)****Going concern**

As noted above, and disclosed in note 12, after the balance sheet date a definitive agreement was signed between AI Ladder Limited and DuPont to acquire the Laird Performance Materials business, including the Company. As a result of this transaction, the current Directors will resign as Directors of the Company on the date of completion and will no longer have oversight of the Company. The intentions of future management are uncertain given this is a holding company and thus, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, such that the company may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors have considered this uncertainty, and given the Company's net asset position, have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Accordingly, they have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The current economic conditions relating to the ongoing COVID-19 outbreak create uncertainty, however the outlook is positive with the roll out of vaccines across the World. The Directors have considered the extent of this uncertainty and actions needed to mitigate the impact on cash flow in reasonably possible scenarios.

Disclosure of information to the auditor

In accordance with section 418 of the Companies Act 2006, the Directors confirmed, so far as each is aware, that there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all steps that he ought to have taken as a Director in order to make him/her aware of, and to establish that the auditor is aware of, any relevant audit information.

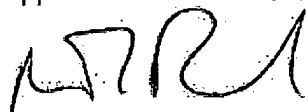
Subsequent events*Sale of the Company and Performance Materials business*

After the Balance Sheet date, the decision was taken to sell the Performance Materials business and on 7 March 2021, a definitive agreement was signed between AI Ladder Limited and DuPont, to acquire the Laird Performance Materials business for \$2.3bn. The transaction is expected to close in the third quarter of 2021, subject to regulatory approvals and other customary closing conditions. This is a material non-adjusting event.

Disposal of indirectly held investment

On 26 February 2021 the Company's indirectly held investment in Laird (Shanghai) Enterprise Management Consulting Co., Ltd. Was sold to Shanghai Yechang Enterprise Development Co., Ltd. for consideration of \$10.2m.

Approved and authorised by the Board



M J Read, Director
100 Pall Mall
London SW1Y 5NQ
United Kingdom

29 June 2021

LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LAIRD ASIA HOLDINGS LIMITED****Report on the audit of the financial statements****Opinion**

In our opinion the financial statements of Laird Asia Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. *Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.*

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that after the balance sheet date a definitive agreement was signed between Al Ladder Limited (an intermediate parent company of Laird Asia Holdings Limited) and DuPont to acquire the Laird Performance Materials business, including Laird Asia Holdings Limited. As a result of this transaction, the intentions of future management are uncertain given this is a holding company. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LAIRD ASIA HOLDINGS LIMITED (CONTINUED)****Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAIRD ASIA HOLDINGS LIMITED (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- We identified a fraud risk relating to the valuation of investments. Judgement is required by the directors as to whether the investment balance should be impaired based on the financial position and future prospects of the subsidiary undertakings. We assessed key assumptions when determining the value in use through assessing the historical accuracy of management's forecasts. We challenged the key assumptions included in the current year forecasts through assessment of past results achieved as well as benchmarking the discount rates and growth rates in the forecasts against the industry comparatives. We performed a sensitivity analysis to determine the impact of reasonable possible changes in these key assumptions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

LAIRD ASIA HOLDINGS LIMITED

Registered No: 07093607

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LAIRD ASIA HOLDINGS LIMITED (CONTINUED)****Report on other legal and regulatory requirements****Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Hall, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

29 June 2021

LAIRD ASIA HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2020

	<i>Notes</i>	<u>2020</u> <u>£000</u>	<u>2019</u> <u>£000</u>
Interest received		-	298
Interest paid		(5,158)	(246)
Foreign exchange gain		30	3
Dividend received		42,286	-
Profit before taxation	4	<u>37,158</u>	<u>55</u>
Tax on profit	5	<u>-</u>	<u>-</u>
Profit and total comprehensive income for the year		<u>37,158</u>	<u>55</u>

All operations are continuing.

LAIRD ASIA HOLDINGS LIMITED**STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED 31 DECEMBER 2020

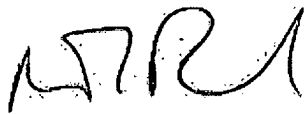
	Called up share capital £000	Profit and loss account £000	Total £000
At 1 January 2019	111,013	183,782	294,795
Profit for the year	-	55	55
Dividend paid (note 6)	-	(6,081)	(6,081)
Preference share redemption (note 9)	(111,013)	7,589	(103,424)
At 31 December 2019	-	185,345	185,345
At 1 January 2020	-	185,345	185,345
Profit for the year	-	37,158	37,158
Dividend paid (note 6)	-	(32,933)	(32,933)
At 31 December 2020	-	189,570	189,570

LAIRD ASIA HOLDINGS LIMITED**BALANCE SHEET**
AS AT 31 DECEMBER 2020

	<i>Notes</i>	<u>2020</u> <u>£000</u>	<u>2019</u> <u>£000</u>
Non-current assets			
Investments	7	284,281	284,281
Total assets		<u>284,281</u>	<u>284,281</u>
Non-current liabilities			
Amounts owed to Group undertakings	8	(94,711)	(98,936)
Net Assets		<u>189,570</u>	<u>185,345</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>189,570</u>	<u>185,345</u>
Total equity		<u>189,570</u>	<u>185,345</u>

The financial statements of Laird Asia Holdings Limited (registered number 07093607) were approved by The Board of Directors and authorised for issue on 29 June 2021.

They were signed on its behalf by:



M J Read
Director

The notes on pages 14 to 21 form part of these financial statements.

LAIRD ASIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

1. Authorisation of financial statements and statement of compliance with FRS 101

Laird Asia Holdings Limited (the Company) is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006, and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The Company meets the definition of a qualifying entity under FRS100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. These financial statements have been prepared under the historical cost convention.

The Company financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds unless otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare Group financial statements as its results are included in the consolidated financial statements of AI Ladder (Luxembourg) Subco S.á r.l, a company registered in Luxembourg at 2-4 Rue Beck, L-1222 Luxembourg (Lëtzebuerg). The Group financial statements of AI Ladder (Luxembourg) Subco S.ár.l. are available to the public and can be obtained as set out in note 11.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2020. Permission to adopt FRS 101 was obtained from shareholders in 2015 through official shareholder notification.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Going concern

After the balance sheet date a definitive agreement was signed between AI Ladder Limited and DuPont to acquire the Laird Performance Materials business, including the Company (note 12). As a result of this transaction, the current Directors will resign as Directors of the Company on the date of completion and will no longer have oversight of the Company. The intentions of future management are uncertain given this is a holding company and thus, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, such that the company may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors have considered this uncertainty, and given the Company's net asset position, have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Accordingly, they have concluded that the use of the going concern basis of accounting in the preparation of the Report and financial statements is appropriate.

LAIRD ASIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

2. Accounting policies (continued)

Dividend income

Dividend income is recognised in the Statement of Comprehensive Income upon receipt.

Dividends

Dividends paid are charged to retained earnings on the earlier of the date of payment or the date on which they become a legal liability of the Company.

New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have had a material impact on the Company.

Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

(b) Transactions and balances

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All differences are taken to the Statement of Comprehensive Income.

Investments

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified at amortised cost, and are comprised of debtors. Debtors are recognised on the trade date, being the date that the Company commits to purchase or sell the asset and are measured at amortised cost with a loss allowance for expected credit losses. Debtors are discounted when the time value of money is considered material.

Gains and losses are recognised in income when the loans and receivables are derecognised or impaired.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset and either
 - (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

LAIRD ASIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020**2. Accounting policies (continued)***Impairment of financial assets*

For debtors, which are comprised of intra-group loan receivables that are repayable on demand, the Company calculates Expected Credit Losses (ECLs). An assessment is made on the reporting date as to whether the borrower has sufficient resources to repay the loan and an impairment is recognised to the extent that the loan is deemed to be not fully recoverable.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Interest income

Interest is recognised in the Statement of Comprehensive Income using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. This 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 the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount of the cash generating unit to which the asset belongs is determined. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired asset.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020**3. Critical accounting judgement and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2 above, the Directors are required to make judgements, 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 year 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. No critical accounting judgements have been made during the period.

Critical sources of estimation uncertainty

The key source of estimation uncertainty that has a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year is the measurement and impairment of investments.

Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The Company has used a discount rate of 10.8% to test for impairment and a terminal growth rate of 3%. Downside sensitivities have been applied to the estimates to assess the impact upon the headroom over the carrying value of investments in subsidiaries and provide comfort that no further impairment is required.

4. Profit before taxation

Profit before taxation is stated after charging:

The directors who served through the period were remunerated through Laird Ltd hence no cost has been recognised in the Company.

Fees paid to the Company's auditor for the audit of the financial statements of £2,924 (2019: £2,785) were borne by Laird Ltd. No non-audit services were provided by the Company's auditor in the current year (2019: nil).

There were no employees under contract during the current or previous year.

LAIRD ASIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 20205. Tax on profit

	<u>2020</u> £000	<u>2019</u> £000
(a) Analysis of the tax charge of the year		
<i>UK corporation tax</i>		
Current year	-	-
	-	-
(b) Factors affecting current tax		
	<u>2020</u> £000	<u>2019</u> £000

The tax assessed for the year is based on the corporation tax rate in the UK.

Profit before tax	37,158	55
Profit before tax multiplied by the UK corporation tax rate of 19.00% (2019: 19.00%)	7,060	10
Effects of:		
Group relief surrendered/(claimed) for nil consideration	974	(10)
Income not subject to tax	(8,034)	-
	-	-

(c) Factors that may affect future tax charges

In the 2021 UK budget the UK Chancellor of the Exchequer announced an increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023. We are not aware of any other factors that may affect future tax charges.

6. Dividends

	<u>2020</u> £000	<u>2019</u> £000
Equity dividends:		
Interim dividend on preference shares for 2019: 6p per share	-	6,081
Interim dividend on ordinary share for 2020	32,933	-
	32,933	6,081

The interim dividend for 2019 was paid prior to the redemption of preference shares.

LAIRD ASIA HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020****7. Investments**

Investments in subsidiaries are made up as follows:

	<u>2020</u> <u>£000</u>	<u>2019</u> <u>£000</u>
Shares in subsidiaries at cost	284,281	284,281
Less: provisions for impairment	-	-
	<u>284,281</u>	<u>284,281</u>

The Company owns the entire share capital of Laird C.I. Holdings Limited, a holding company incorporated in the Cayman Islands. The following companies are wholly owned indirect subsidiaries of the Company through its ownership of Laird C.I. Holdings Limited.

Company	Registered address
Centurion Wireless Components (M) Sdn Bhd	Plot 522, Lorong Perusahaan Baru 3, Perai Industrial Estate, 13600 Prai, Penang, MALAYSIA
Kunshan Cation Electronics Co., Ltd	28# Huanghe South Road, Kunshan Economic & Technical Development Zone, Jiangsu Province, CHINA
Laird (Shanghai) Enterprise Management Consulting Co. Limited	No.8 Pengfeng Road, Dagang Industrial Park, Songjiang District, Shanghai City, CHINA
Laird Asia Limited	Unit 2507, 25 th Floor Office Tower, Langham Place, 8 Argyle Street, Mongkok, Kowloon, HONG KONG
Laird Hong Kong Holdings (4) Limited	Unit 2508, 25 th Floor Office Tower, Langham Place, 8 Argyle Street, Mongkok, Kowloon, HONG KONG
Laird Management (Shenzhen) Co Ltd	3F, North Block, Factory Zone No1, Fuyuan Road, Heping Community, Fuyong Town, Bao An District, Shenzhen City, Guangdong Province, 518103, CHINA
Laird Production Shenzhen Company Limited	2 nd Floor, No.1 Workshop, Dejin Industrial Park, Fuyuan Road, Heping Community, Fuyong Town, Bao An District, Shenzhen City, Guangdong Province, CHINA
Laird Technologies (Holdings) II AB	EA Rosengrens gata 25, 42131 Västra Frölunda, SWEDEN
Laird Technologies (M) Sdn Bhd	Plot 522, Lorong Perusahaan Baru 3, Perai Industrial Estate, 13600 Prai, Penang, MALAYSIA
Laird Technologies (Shanghai) Company Limited	Building No.3, No. 398, Yuandian Road, Xinzhuang Industry Zone, Shanghai City, CHINA
Laird Technologies (Shenzhen) Company Limited	No.1 Workshop, Dejin Industrial Park, Fuyuan Road, Heping Community, Fuyong Town, Bao An District, Shenzhen City, Guangdong Province, 518103, CHINA
Laird Thermal Systems (HK) Holdings Limited	14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, HONG KONG
Tianjin Laird Technologies Limited	C3 & C4 Hongtai Industry Park, No 87 Taifeng Road, TEDA Tianjin, 300457, CHINA

LAIRD ASIA HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020****8. Amounts owed to Group undertakings**

	2020 £'000	2019 £'000
Amounts owed to Group undertakings	<u>94,711</u>	<u>98,936</u>

This balance is due to Laird Overseas Holdings Ltd, and bears interest at the rate of 4.5% above the 12 months London Interbank Offer Rate ("LIBOR") set annually and is not due to be recalled before 31 December 2021.

9. Called up share capital

	<u>Ordinary Shares</u>		<u>Preference shares</u>	
	Shares	£000	Shares	£000
At 1 January, 2019	1	-	106,664,906	111,013
Preference share redemption	-	-	(106,664,906)	(111,013)
At 31 December, 2019	1	-	-	-
At 1 January and 31 December, 2020	1	-	-	-

On 31st December 2009 the Company issued 106,664,906 preference shares for SEK 12 each, these were translated at the prevailing rate on that day of 11.53 SEK/GBP.

On the 30th November 2019 the Directors resolved to redeem the 106,664,906 preference shares. The rate ruling on the date of this transaction was 12.35 SEK/GBP, which gave rise to a translation difference of £7,589,000 which was transferred to retained earnings.

10. Related party transactions

The Company has utilised the exemption provided under paragraph 8(k) of FRS 101, Related Party Transactions, and not disclosed transactions with related parties that are part of AI Ladder (Luxembourg) Subco S.á r.l.

LAIRD ASIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020**11. Immediate and ultimate parent undertaking**

The immediate parent undertaking is Laird Holdings Limited, a Company registered in the UK, as it owns 100% of the ordinary share capital of the Company. The smallest and largest group financial statements into which Laird Asia Holdings Limited is consolidated are produced by AI Ladder (Luxembourg) Subco S.á r.l, a company registered in Luxembourg. Consolidated financial statements are available on request from 100 Pall Mall, London, SW1Y 5NQ, United Kingdom.

The Company's ultimate parent undertaking at the balance sheet date was Advent International Corporation which is based in the United States. This company does not produce consolidated financial statements.

12. Subsequent Events*Sale of the Company and Performance Materials business*

After the Balance Sheet date, the decision was taken to sell the Performance Materials business and on 7 March 2021, a definitive agreement was signed between AI Ladder Limited and DuPont, to acquire the Laird Performance Materials business for \$2.3bn. The transaction is expected to close in the third quarter of 2021, subject to regulatory approvals and other customary closing conditions.

This is a material non-adjusting event.

Disposal of indirectly held investment

On 26 February 2021 the Company's indirectly held investment in Laird (Shanghai) Enterprise Management Consulting Co., Ltd. Was sold to Shanghai Yechang Enterprise Development Co., Ltd. for consideration of \$10.2m.