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MEDIA RELEASE

CDW Holding sees demand surge for LCD Backlight Units from leading car makers

- **Growing demand from leading car makers with the shift towards full-panel LCD instrument panels in mass market car models**
- **Expected value of orders from car makers for larger LCD Backlight Units over 10 inches will be over US\$5M in the month of December alone**

Singapore, 28 December 2020 – SGX Mainboard listed CDW Holding Limited (“CDW” and together with its subsidiaries, the “Group”), is pleased to provide a business performance update for its LCD Backlight Business Segment.

Background. In 2001, CDW began manufacturing colour LCD Backlight Units for mobile phones. Nearly two decades on, the Group has built its reputation as a leading manufacturer of LCD Backlight Units for applications in various industries.

The Group has been experiencing a long-term trend in which demand is shifting away from conventional smaller display applications in smartphones and gaming consoles, towards larger-sized, and higher-value applications such as automobile digital instrument panels. The strong demand for digital instrument panels is expected to continue to grow throughout 2021.

The Group’s LCD Backlight Units used in the digital instrument panels for automobiles, which are becoming the major product for the Group, are installed in the luxury cars of the leading premium car brands in the US and Germany.

Changing Product Mix. Since 2014, the Group has experienced a shift in demand away from mass-produced consumer electronics such as smartphones and gaming consoles. Instead, there has been a

growing demand for its LCD Backlight Units in applications such as automobile instrument panels, infotainment displays for automobiles, and ultrathin notebook computers.

The orders for LCD Backlight Units meant for mass-produced consumer electronics like smartphones and gaming consoles tend to be lower in value, due to their smaller screen sizes. In contrast, the automotive information displays, which had been mainly navigation systems previously, are now shifting to digital instrument panels for automobiles, which have larger screen sizes. This shift marks a long-term trend towards higher value orders in the Group's product mix.

The recent surge in demand for CDW's LCD Backlight Units used in automobile displays comes as leading car makers in Germany and the United States of America, etc. move towards full-panel digital instrument panels in their higher-end car models. The instrument panels of earlier models tended to be a mix of analog and digital displays. Digital instrument panels for automobiles today increasingly integrate traditional instrumental displays such as tachometer, speedometer, odometer, fuel gauge and temperature reading with more modern features like GPS navigation, rear-view cameras, and in-car audio entertainment.

As a result of this trend towards fully digital instrument panels, the expected value of orders for CDW's LCD backlight units for automotive digital instrument panels over 10 inches for the month of December 2020 alone, is expected to be over US\$5 million. This represents a 943% growth in this sales category since January 2020, or a compounded growth rate of 23.28% per month (Figure 1).

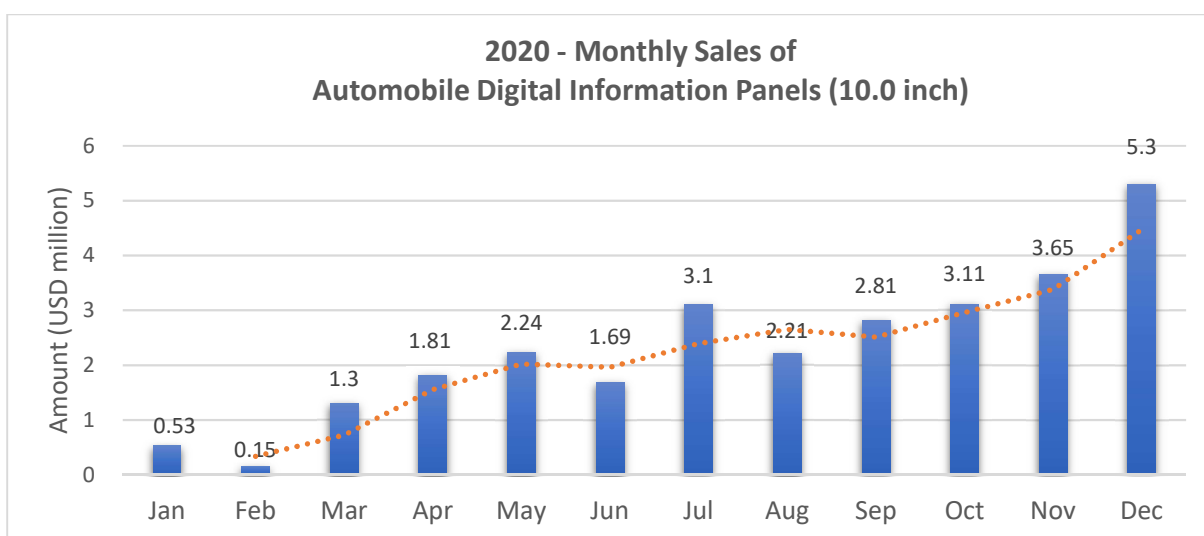


Figure 1 – 2020 Monthly Sales of Automotive Digital Instrument Panels over 10 inches

CDW's management believes that this trend in the automobile industry will contribute positively to CDW's growth in the year ahead, and is likely to continue as more automobiles shift towards fully digital displays. A recently published report¹ by market intelligence firm Future Market Insights (FMI) estimates that the global automotive display units market is predicted to grow at a CAGR of around 8.0% per year in the next decade until 2029.

"Our LCD Backlight Units Business Segment is expected to contribute to the Group's overall earnings in 2020 despite the outbreak of the COVID-19. We will continue to pursue near-term growth as well as seek opportunities in other sectors such as the recently announced milestones in our biomedical sciences division that will diversify our revenue for future growth prospects", said Mr Yoshikawa Makoto, the Chairman and Chief Executive Officer of the Group.

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About CDW Holding Limited (www.cdw-holding.com.hk)

CDW Holding ("CDW" and together with its subsidiaries, the "Group") is a Japanese-managed precision components specialist serving the global market focusing on the production and supply of niche precision components for mobile communication equipment, gamebox entertainment equipment, consumer and information technology equipment, office equipment and electrical appliances. The Group is headquartered in Hong Kong and has operations in Japan, China and the Philippines.

The Company has been identifying new businesses to invest in with the potential for growth and entered as part of its diversification strategy and has made forays into the Life Sciences sector since 2016. The Company's aim for its Life Sciences business is to identify research-driven yet commercializable projects that can have a positive impact on the quality of human life.

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¹ <https://www.futuremarketinsights.com/reports/automotive-display-units-market>