



CDW Holding Limited
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MEDIA RELEASE

CDW expects profitability for FY2021 to improve

Singapore, 13 August 2021 – SGX Mainboard listed CDW Holding Limited (“CDW”, the “Company”, and together with its subsidiaries, the “Group”), released its interim financial results for the six months ended 30 June 2021 (“1H2021”) today.

“We were on track for a good result for 1H2021 based on customer forecasts, but our performance was affected by the unforeseen global shortage of semiconductors, the impact of the COVID-19 pandemic and other reasons. Nevertheless, based on customer orders and revised customer forecasts, we are expecting good growth in the second half of FY2021. We are therefore cautiously optimistic for our profitability in FY2021 to improve as compared to FY2020.”, said Mr Yoshikawa Makoto, Chairman and Chief Executive Officer of CDW.

In 1H2021, the Group saw a 28.3% increase in revenue to US\$63.5 million from US\$49.5 million in the six months ended 30 June 2020 (“1H2020”). However, due to various reasons as stated in its 1H2021 results announcement, the Group recorded a loss before income tax of US\$0.4 million (1H2020: a profit before income tax of US\$0.4 million) and registered a loss after income tax of US\$1.1 million (1H2020: US\$0.4 million).

Business Highlights

In 1H2021, the Group continued to receive orders for larger-sized LCD Backlight Units used in digital instrument panels of premium automobiles and ultrathin notebook computers. However, the global semiconductor shortage for automobiles which started in early 2021,

caused automobile makers to adjust their demand and orders. This led to the Group's key customer rescheduling the delivery of LCD Backlight Units in 1H2021 to the second half of the financial period ending 31 December 2021 ("2H2021") or later. With the availability of semiconductors improving and stabilising, the Group sees a recovery in the LCD Backlight Units segment in 2H2021, and which will allow the Group to optimise its production and enhance its profitability.

The Group's Original Equipment Manufacturing ("OEM") business for mobile payment devices, a subset of its LCD Parts and Accessories segment, continues to face price competition from PRC suppliers but the Group has mitigated this situation by outsourcing production to a partner in Thailand while its own Philippines plant is not operational yet. While the OEM business had a low profitability in 1H2021, its profitability is improving as the nature of the business is shifting from OEM to Original Design Manufacturing ("ODM"). The Group has been helping the customer with the design of new models and orders are increasing substantially. The Group will still continue to cautiously manage production volatility, as its performance may be affected by the shortage of semiconductors and other factors. Despite the uncertainty, the OEM business this will be able to contribute largely to the profitability of the LCD Parts and Accessories segment for 2H2021.

Barring any unforeseen circumstances, the Group is cautiously optimistic that its profitability will improve in the financial year ending 31 December 2021 ("FY2021") as compared to financial year ended 31 December 2020 ("FY2020")

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Note: This media release is to be read in conjunction with the Company's 1H2021 Results Announcement release on SGX.net on the same date.

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

CDW Holding Limited (the “Company” 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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