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MEDIA RELEASE

CDW Holding Sees 64% Growth in LCD Backlight Units Shipped for Cars Despite COVID-19, Global Chip Shortage

- Annual shipment volumes for automotive digital instrument panels alone posted 64% growth from 2020, outstripping industry forecast CAGR by over eight times
- Growing demand for larger automotive backlight units shaping up to be key growth driver for the segment
- Shipment to one of the largest Japanese car brands to start from October 2022
- Sustained growth in shipment volume despite COVID-19, and the global semiconductor chip shortage which impacted automakers

Singapore, 25 January 2022 – 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 reliable outsourcing partner with Japanese precision, and a leading manufacturer of LCD Backlight Units for applications in various industries, especially high-end automotive and PC makers.

The Group’s LCD Backlight Units business unit continues to see a shift in its sales mix towards larger-sized automobile digital instrument panels, and high-end personal computers. The Group’s LCD Backlight Units are used in the digital instrument panels for luxury cars of the leading premium car brands in the US and Germany, and will also be used in one of the largest Japanese car brands from October 2022.

Changing Sales Mix. Car makers in Germany and the United States have been moving towards full-panel digital instrument panels in their higher-end car models. Digital instrument panels for automobiles today are simply more “feature-rich”. Beyond traditional instrumental displays such as the tachometer, speedometer, odometer, fuel gauge and temperature, digital instrument panels offer drivers more bells and whistles that are increasingly becoming the new normal. These include things like GPS navigation, rear-view cameras, and in-car audio entertainment.

Over the last 2 years, much of this growth in CDW’s Backlight Units business has been from orders by automakers for LCD Backlight Units. As of 2021, the segmental revenue contribution of automotive LCD Backlight Units over ten inches stood at 47.49% - which is just over double that of the smaller sized counterparts (23.14%). This product line has, and will likely continue to be a key growth driver for the segment.

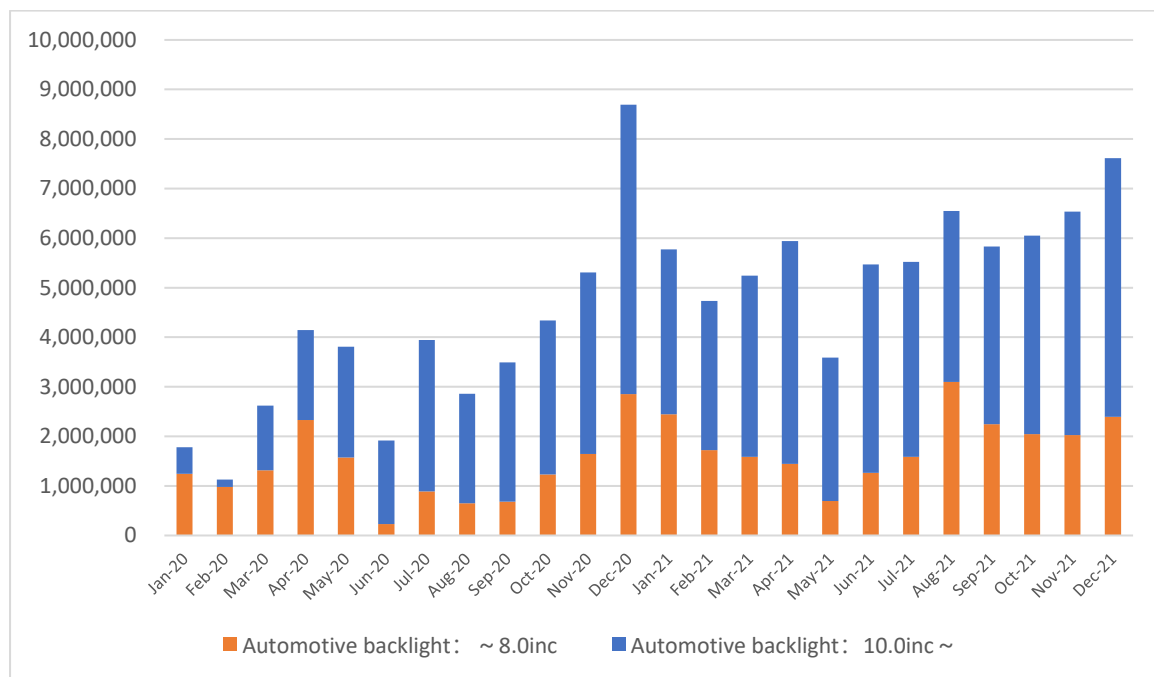


Figure 1 - Sales mix (in USD) of automotive backlight units by size from 2020-2021

As the demand for larger digital instrument panels grows, the Group has outperformed market growth forecasts by nearly eight times. A 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.

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

In 2021, shipment volume and sales value of LCD backlight units for automotive display units alone, saw nearly 63.9% and 56.3% growth respectively as compared to 2020. Overall, including shipments of backlight units for other uses cases like PCs and smart phones, the backlight units business posted a nearly 3.78% growth in annual shipment volume, and a 12.2% growth in the segment’s revenue compared to the previous year. This is despite the twin impacts of COVID-19, and the global shortage in semiconductor chips which affected automakers.

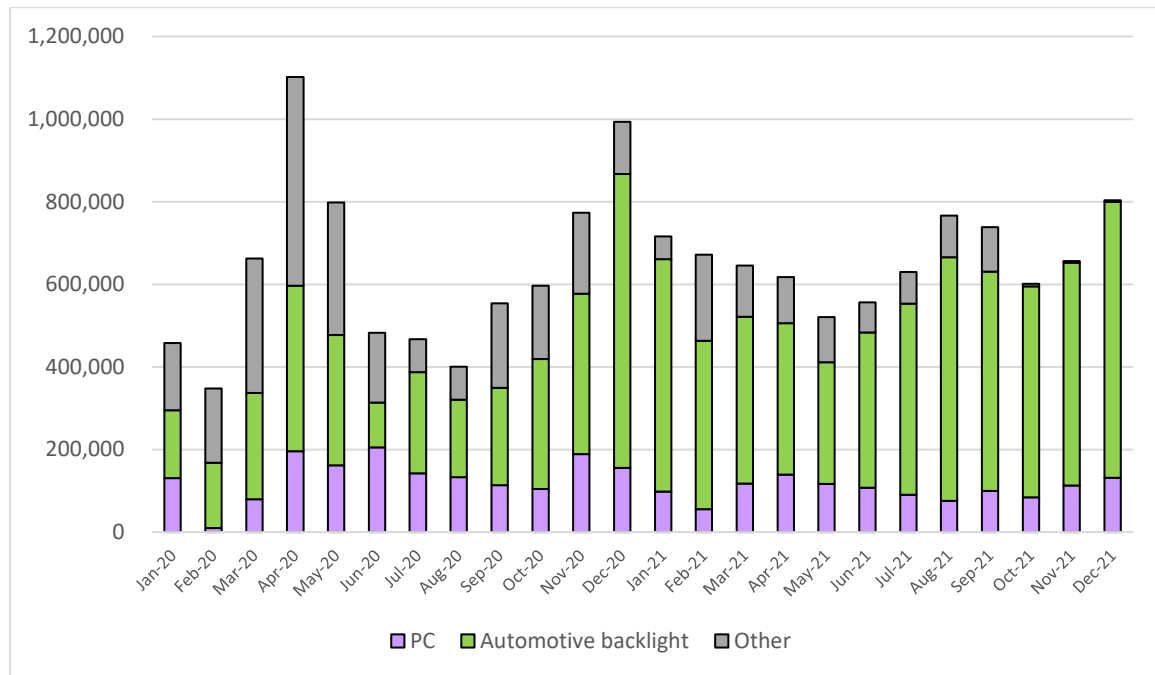


Figure 2 - 2020-2021 Backlight Unit Shipment Volume

“Our LCD Backlight Units Business Segment has continued to overcome numerous challenges in global supply chains over the last two years, from Sino-US trade tensions, to COVID-19, and a global semiconductor chip shortage. Our key customer continues to value CDW as a supply chain partner despite these trying times for the industry”, 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 Limited (“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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