

CDW HOLDING LIMITED
(Incorporated in Bermuda)
(Company Registration No. 35127)

ANNUAL GENERAL MEETING TO BE HELD ON 29 APRIL 2022
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

The Board of Directors (the “**Board**”) of CDW Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to thank all shareholders who submitted their questions in advance of the Annual General Meeting of the Company to be held at 3:00 pm (Singapore Time) on Friday, 29 April 2022 by electronic means (the “**AGM**”).

Please refer to our responses to the substantial and relevant questions received as set out in the Appendix hereto.

By Order of the Board

YOSHIKAWA Makoto
Chairman and Chief Executive Officer

25 April 2022

APPENDIX – RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

LCD Backlight Units Business

1. **For CDW Backlight Units roll-out to a Japanese car maker in October 2022, will there be a trial order followed by actual production orders?**

Following our media release on 25 January 2022, we are happy to report that the market launch of the end customer's product has been brought forward and mass production has started in the second quarter of this year.

2. **How does the company plan for the expected increase in orders for the automotive LCD backlights for the Japanese car brand starting in October 2022? Is there sufficient capacity for additional orders?**

Our customers give us their rolling forecast and monthly delivery schedules, which allows to procure the necessary raw materials in a just-in-time basis and organise the production planning. Yes, we have adequate capacity.

3. **Will it be for high-end and/ or mid-end Japanese cars and any indications on order volume?**

We are unable to provide this information as we are under a Non-Disclosure Agreement with our customer.

LCD Parts & Accessories

4. **When can the OEM operations in the Philippines start? Is the setting up of the OEM business in Thailand a stop-gap measure, or both operations are expected to operate concurrently?**

We are unable to provide a timeline regarding the re-start of our Philippines operations because the COVID-19 related travelling restrictions between Hong Kong and Philippines are still in force. We consider our business in Thailand to be concurrent.

5. **Any indications on order volume and mix (mid-end models?) for manufacturing BBPOS' mPOS devices in year 2022?**

With regard to the manufacture of mPOS devices for BBPOS, we are unable to give any order quantities due to a Non-Disclosure Agreement we have with our customer.

However, we expect orders in the second quarter to double the orders received in the first quarter. Currently, approximately 70% of orders are for middle-end models.

6. When will the Philippines plant be ready to resume production and will it replace the current outsourcing partner in Thailand?

As travel restrictions are still in force between Hong Kong and the Philippines, we are unable to provide a timeline as to when the Philippines plant will be able to resume production. Any resumption of production at the Philippines plant will not replace our Thai outsourcing partner.

7. When did CDW start producing Loupedeck Live consoles?

We have already started to manufacture the digital input video-editing consoles this year.

8. Any indications on order volume for Loupedeck Live consoles in year 2022?

We are unable to provide this information as we are under a Non-Disclosure Agreement with Loupedeck.

Life Sciences Business

9. Any update on the licensing agreement with Cosmo Beauty?

Cosmo Beauty will commence the sales of their OEM products under the licensing agreement in the second half of this year.

10. When is the pre-clinical efficacy testing of the anti-Cripto 1 antibody estimated to finish?

The pre-clinical efficacy test of the anti-Cripto1 antibody is currently ongoing at the National Cancer Centre in South Korea, using two types of human patient-derived brain tumour cells (Group 1 and Group 2). If everything goes successfully, all final reports are expected to be received in the fourth quarter of this year.

11. How is the market response to the launch of the YOSHIMI Night Cream X launched in October 2021 so far? When can we expect significant revenue contributions from this segment?

YOSHIMI Night Cream X is the first product developed in the Group's cosmetics business and more needs to be done to enhance the marketing.

12. In which countries/markets did the YOSHIMI Night Cream X launch in?

YOSHIMI Night Cream X was made available from 1 October 2021 on YOSHIMI JAPAN's online store at <https://yoshimijapan.jp/en>. Currently, the product is only shipped and sold to customers living in Japan, China, Hong Kong and Singapore.

13. Any overwhelming demand for Yoshimi Night Cream X in any of the countries since its launch?

We are starting to build a sales network to promote Yoshimi Night Cream X sales in Japan.

14. What is the current share of online sales for Yoshimi Night Cream X?

Currently, Yoshimi Night Cream X is wholly sold online.

15. Any production expansion plans for Yoshimi Night Cream X?

After the establishment of a sales network is completed, we will consider expanding production to meet the needs of the market.

Group Operations

16. It seems that the Company has many businesses going on, how can the management focus on so many different business directions?

We are currently working on projects related to health and the environment in order to establish the next pillar of our business, while growing our existing electronic components business. Some of our operations, such as highly specialised research and development, are outsourced to our business partners.

17. How does the company mitigate the impact of rising labour and raw material costs as well as the supply disruptions?

Rising labour costs is expected when operating in China and is a challenge faced by all companies operating there. We have already been replacing labour process with automation and has been looking at other productivity initiatives to reduce our direct labour costs. We are communicating with our customers in order to adjust our selling price due to significant increases in raw material costs.

18. And China is becoming more difficult to make profitable for LCD business going forward, has the company planned to shift to Southeast Asia?

We have always explored the possibility of expanding our business operations into Southeast Asia. However, the supply chain for our current LCD business is concentrated in China, and we are very carefully considering this in terms of cost-effectiveness and risk management.

19. How has the Covid restrictions in Shanghai impact the company's operations, especially the facilities in Shanghai?

We had to shut down our operations in accordance with government directives and are closely assessing the situation to determine whether there is any material impact.

20. With reference to Note 35b, why does the Group assess the need to have USD20.6 million in bank borrowings?

In FY2020, the Company borrowed US\$20.6 million for general working capital and short-term financing purposes. Of the abovementioned bank borrowing, US\$16.9 million was settled in FY2020 and the remaining US\$3.7 million was settled a few days after the financial year-end and therefore was not reflected as at 31 December 2020.