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MEDIA RELEASE

CDW Holding updates on diversification efforts and sustainability direction

- **As part of its diversification efforts, the Group has been pursuing new business opportunities which are aimed at transforming traditional industries to be more environment-friendly and to improve human life**
- **The diversification businesses span diverse industries like drug development, skincare, clean energy, and water purification**
- **Adopts UN Sustainable Development Goals as a framework to guide diversification efforts**

Singapore, 23 May 2022 – SGX Mainboard-listed CDW Holding Limited (“**CDW**”, the “**Company**”, or collectively with its subsidiaries, the “**Group**”) is pleased to share an update on its diversification efforts and announce a new strategic direction for the Group, centred around the United Nations’ Sustainable Development Goals (“**UN SDGs**”).

CDW’s Diversification Efforts

The Group is a leading manufacturer of LCD Backlight Units for applications in various industries such as computer, automotive, and gaming and has recently also built up a promising OEM business in producing electronic payments systems and digital content editing devices. As the Group operates in a challenging industry with intense price competition and shortening product life cycles, it embarked on a diversification strategy in 2016 to identify other potential areas of growth and made its foray into Bio & life sciences and other businesses.

Bio & Life Sciences

The Group holds a patent for a synthetic antibody library through its subsidiary GSP Enterprise Inc. (“GSP”), which was established by the late Honorary Professor Shimizu Nobuyoshi of Keio University and acquired by the Company in 2018. GSP builds upon the late Professor Shimizu Nobuyoshi’s fundamental research in the medical field through developing specific antibodies to target tumours, viruses or other diseases, with the aim of creating immunotherapies for them. A Biotech Co., Ltd (“ABio”) was established in South Korea at the same time for antibody-related research and development.

The Group had previously announced key milestones in the development of novel antibody drugs aimed at treating various cancers. The most promising candidate thus far, the anti-Cripto-1 antibody, was patented in September 2020 and has been shown to be effective at inhibiting the self-proliferation of cancer stem cells. Recent anti-Cripto-1 antibody research have been led by ABio, which is conducting a pre-clinical efficacy study at the National Cancer Centre of Korea.

“The late Professor Emeritus Nobuyoshi Shimizu of Keio University passed away from cancer in 2015 after founding GSP to commercialize his research. In 2018, we acquired GSP to continue the late Professor Shimizu's legacy and advance his cancer drug development fundamental research, and help more people suffering from cancer globally. ABio was established at the same time and is currently continuing its research in collaboration with GSP.”, said **Mr Yoshikawa Makoto, the Chairman and Chief Executive Officer of the Group.**

Apart from aiming to treat serious illnesses through fundamental research, the Group has also made strides in addressing the growing consumer demand for beauty and wellness. The Group acquired Intellectual Property Rights in 2016 related to the functional use and manufacture of organic compounds including Pterostilbene Glycoside products which have antioxidant, anti-aging and hair growth benefits. In addition, the Group is also looking to licence out its recently acquired patent on the cancer stem cell growth inhibitory effect of pterostilbene and/or its glycosides.

In September 2021, the Group announced the launch of its own skincare brand YOSHIMI JAPAN following five years of research and development into the anti-aging pterostilbene glycoside compound, which was shown to have greater efficacy at addressing the anti-wrinkle segment of topical beauty products. The product is currently available online to consumers in Japan, China, Hong Kong, and Singapore. A licensing agreement has also been signed with a Japanese cosmetics manufacturer to use pterostilbene glycoside in various product lines of the cosmetics manufacturer's customers, with product launches scheduled to begin later in 2022.

Environment-Friendly Products and Technologies

As a contract manufacturer, CDW is keenly aware of the carbon footprint and environmental impact that can be caused by traditional industries. That is why it has been actively pursuing new business opportunities in environmental products and technologies which include clean energy and nanomaterials.

In July 2021, the Group secured the rights to distribute CUBOX portable lithium-ion battery packs for use in industrial, household and medical settings in Japan.

The Group has also obtained the global distributorship rights to Japanese alkaline water generator brand, Nihon Trim Co.,Ltd¹. ("TRIM"). The deal will allow the Group to capture new opportunities as the demand for alkaline water generators grows around the world. According to market research firm Global Information Inc., the global water ionizer market is estimated to grow at a CAGR of 4.22% to reach over US\$ 1.6 billion by 2027. The global distributorship will see the Group distribute TRIM's products in overseas countries, excluding Indonesia and Guangdong province in China. The Group is already exporting and selling its products to some countries and regions.

¹ Listed on the Tokyo Stock Exchange TRIM's alkaline water generators are being used across a wide variety of settings; ranging from the home, to hospitals, commercial, and agricultural businesses. <https://www.nihon-trim.co.jp/english/>

CDW has also secured the exclusive rights to market in Japan and distribute electric boat propulsion systems that are developed by Electriner² of Korea (formerly known as LGM Co., Limited, with which the Company has a 2.3% stake), a leading Korean electric boat building company, with currently discussions for the rights to Hong Kong and Singapore ongoing. The electric boat propulsion system was the first electric propulsion unit in Japan to qualify for pre-inspection. The advantage of electric ship propulsion unit is that they require no fossil fuels, thus enabling the realisation of decarbonisation. Additionally, the Company will also develop and sell fuel-efficient and environment-friendly ship-bottom paints which use nanomaterial technology. Further research is underway to improve the efficacy of ship-bottom paints samples being tested on marine vessels.

The Group also exhibited its electric boat propulsion systems and ship-bottom paints at the Japan International Boat Show³, Japan's largest ship-related exhibition, held from 31 March to 3 April 2022. Several potential customers, including large leisure facility operators, were given the opportunity to meet with the Group and negotiations are underway for sales. The Japan International Boat Show is also being held in an online venue from 18 March to 31 August 2022, and still exhibiting.

Adopting the UN SDG Framework

In order to focus its diversification efforts, the Group has decided to adopt a strategic framework that is centred around the UN SDGs, which consists of 17 goals and 169 targets. Adopted at the UN Summit in September 2015, the goals were set by 193 UN member countries to be achieved in 15 years from 2016 to 2030.

In particular, the last few years have seen a renewed focus among institutional investors on environmental, social, and governance, or ESG standards. The scars of the global pandemic, as well as mounting concerns over the impact of environmental degradation from industrial activity around the world have led to a growing demand for sustainability solutions.

² <http://www.electrine.co.kr/main>

³ <https://online.boatshow.jp/exhibitors/tomoike/>

“CDW has always been exploring opportunities in the areas of health and environment. This would further enhance our attractiveness to institutional investors, as we continue to strengthen our revenue streams and diversify our competencies beyond LCD backlight units”, remarked **Mr Yoshikawa Makoto**.

Meeting the growing ESG demand

With investments in ESG trending, and CDW believes that its new strategic direction is the right step forward to meet that growing demand from institutional investors. Bloomberg forecasts that ESG Assets Under Management (“AUM”) could grow to US\$53tn by end-2025, having already reached US\$30.6tn by end-2021. On the debt-issuance front, ESG-themed issuance took almost 12 years from 2007, to reach US\$1tn but just one year to reach USD2tn over 2020. In just the first six months of 2021, it crossed another US\$1tn and is estimated to surpass USD11tn by end-2025.

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About CDW Holding Limited

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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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