

CDW HOLDING LIMITED

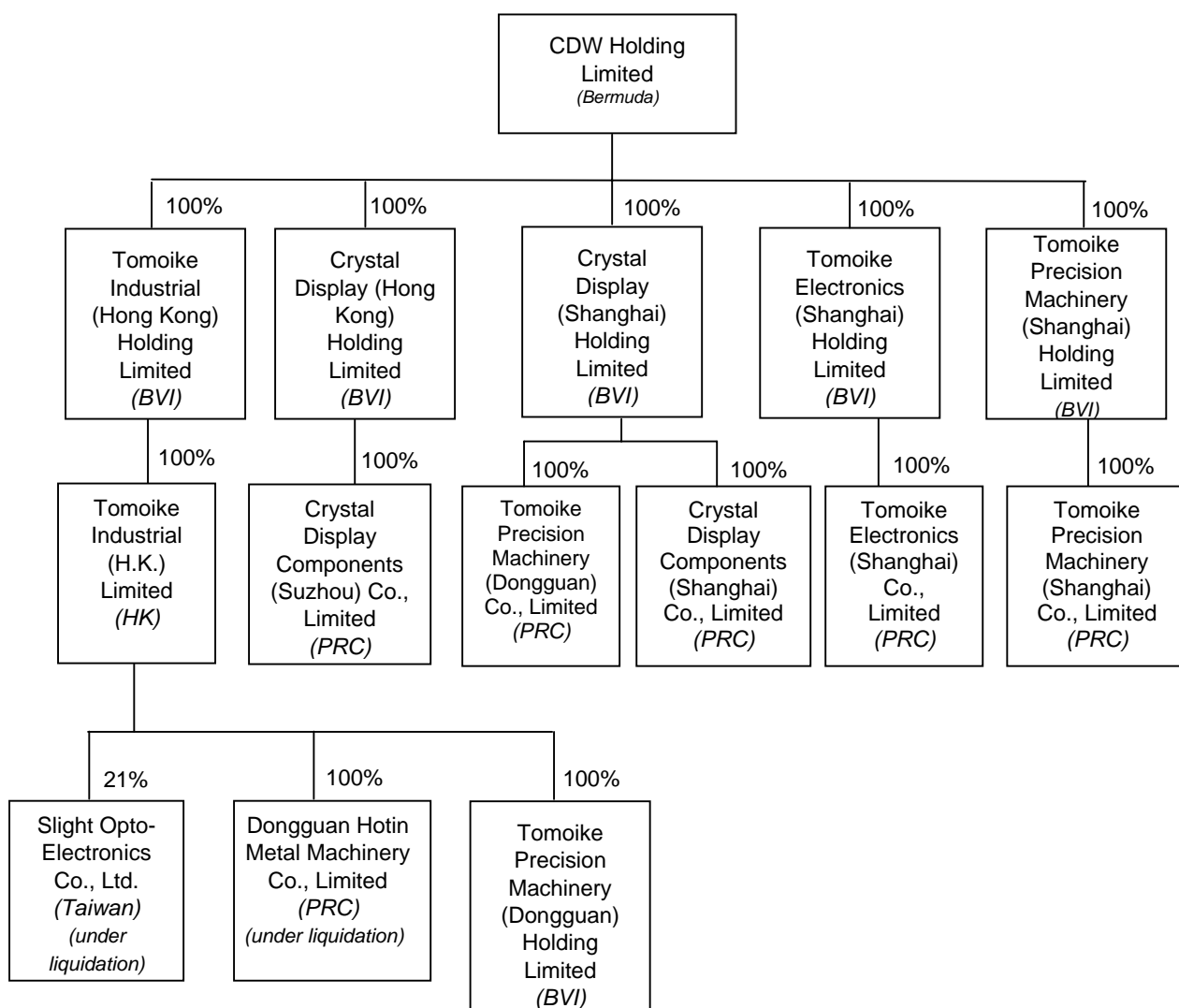
The initial public offering of the Company's shares was sponsored by DBS Bank Ltd.

PROPOSED CORPORATE REORGANISATION OF CDW HOLDING LIMITED AND ITS SUBSIDIARIES (THE "GROUP")

The Board of Directors of CDW Holding Limited ("CDW") would like to announce that the Group intends to undertake a corporate reorganisation exercise ("Corporate Reorganisation") in order to facilitate more effective management of the Group and to centralise the Group's human resource management.

A. Details of the Corporate Reorganisation and the Proposed Group Structure

The existing Group structure prior to the Corporate Reorganisation is as follows:



As set out in the diagram above, Crystal Display (Hong Kong) Holding Limited (“CD Hong Kong BVI”), Crystal Display (Shanghai) Holding Limited (“CD Shanghai BVI”), Tomoike Electronics (Shanghai) Holding Limited (“TM Pudong BVI”) and Tomoike Precision Machinery (Shanghai) Holding Limited (“TM Shanghai BVI”) are companies incorporated in the British Virgin Islands (“BVI”) which together hold the shares in the Group’s PRC subsidiaries.

In connection with the Corporate Reorganisation, CDW intends to sell and Tomoike Industrial (H.K.) Limited (“TM Hong Kong”) intends to purchase, the entire issued and paid-up share capital of each of CD Hong Kong BVI, CD Shanghai BVI, TM Pudong BVI and TM Shanghai BVI (collectively, the “Target Companies” and each a “Target Company”) for an aggregate cash consideration of US\$8,718,122 (“Aggregate Consideration”).

The Aggregate Consideration shall represent the aggregate of the respective consideration amounts payable by TM Hong Kong in respect of the acquisition of each of the Target Companies as follows:

<u>Name of Target Company</u>	<u>Number of shares in Target Company</u>	<u>Consideration</u>
CD Hong Kong BVI	1,599,763 shares	US\$1,599,763
CD Shanghai BVI	2,509,913 shares	US\$2,509,913
TM Pudong BVI	2,329,309 shares	US\$2,329,309
TM Shanghai BVI	2,279,137 shares	US\$2,279,137

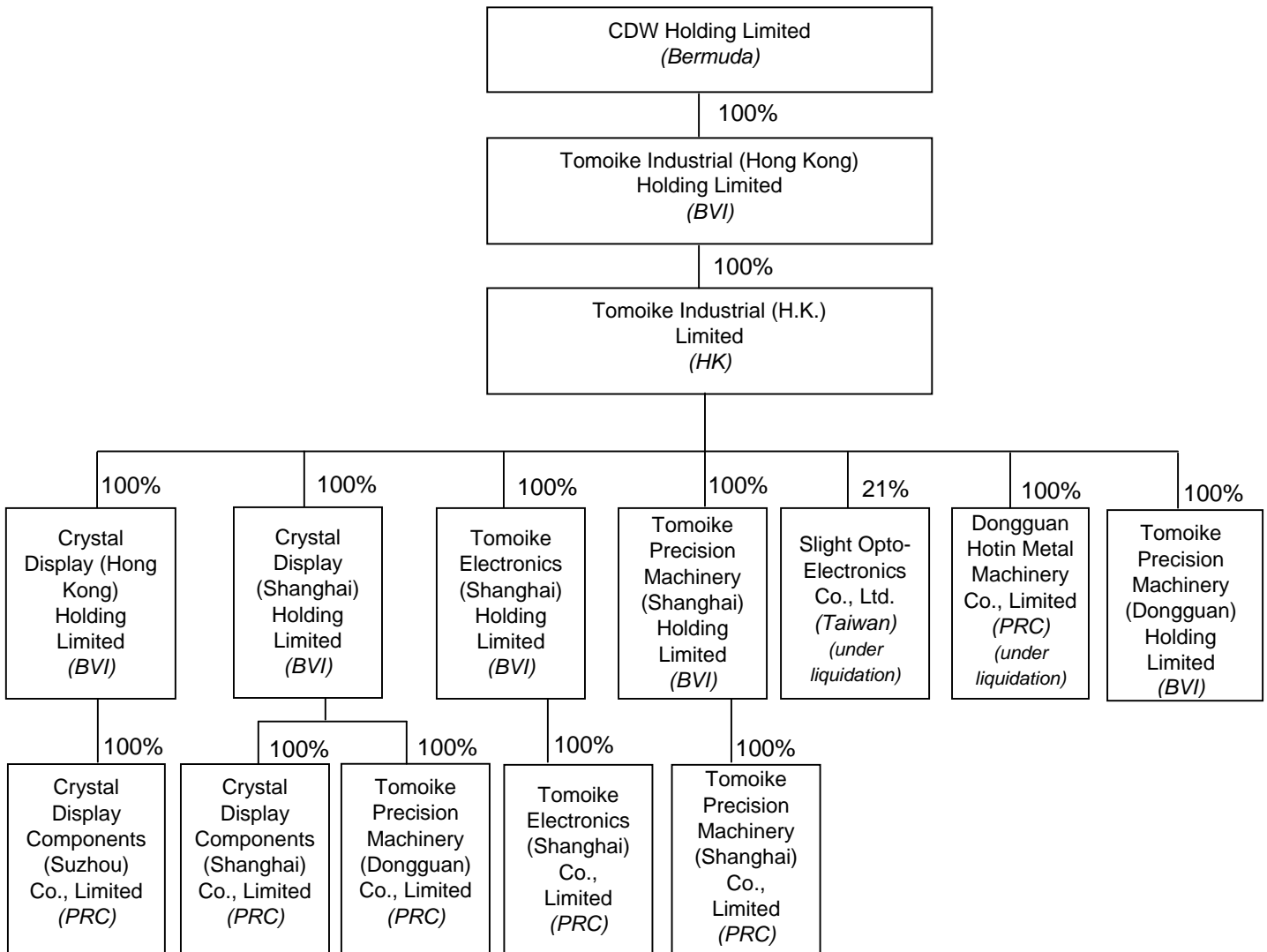
Each of the Target Companies will be acquired at net book value. The Aggregate Consideration will be funded from internal resources.

On 8 November 2004, a loan of US\$1,599,762 was made by TM Hong Kong to CDW (“TM Hong Kong Loan”) to fund an acquisition in connection with the restructuring exercise undertaken by the Group (“Restructuring Exercise”) for the purpose of CDW’s initial public offering (the “IPO”). An aggregate amount of US\$7,118,356 is also owing from CDW to TM Hong Kong pursuant to the assignment of several debts from TM Hong Kong to CDW in connection with the Restructuring Exercise (“Restructuring Loans”). After the IPO, certain other inter-company loans were entered into to fund various investments undertaken by the Group.

Pursuant to the Corporate Reorganisation, the TM Hong Kong Loan, Restructuring Loans and all outstanding inter-company loans will be settled within three years after the completion of the Corporate Reorganisation (or such later date as may be agreed between CDW and TM Hong Kong).

Upon completion of the Corporate Reorganisation, each of the Target Companies will become a wholly-owned subsidiary of TM Hong Kong and the eventual Group structure will be as follows:

CDW Group Structure after reorganisation



B. Rationale for the Corporate Reorganisation

TM Hong Kong was incorporated in 1991 and currently serves as the administrative headquarters of the Group.

The Group intends to undertake the Corporate Reorganisation in order to facilitate more effective management of the Group companies and to centralise the Group's human resource management, particularly that of senior executives and Japanese expatriates.

Pursuant to the Corporate Reorganisation, TM Hong Kong will become the intermediate holding company of the Target Companies. In keeping with TM Hong Kong's function as administrative headquarters of the Group, TM Hong Kong, as the intermediate holding company of the Target Companies, will be better able to manage and oversee the Group's PRC businesses. TM Hong Kong will also be able to more efficiently oversee the periodic reporting obligations of the various subsidiaries held by it.

The Corporate Reorganisation also serves to centralise the Group's human resource management, resulting in more efficient allocation and use of manpower. For example, TM Hong Kong, as the intermediate holding company of the Target Companies, will be able to re-allocate or second senior staff from one factory to another factory. TM Hong Kong will therefore become the centralised corporate vehicle through which the Group will effect such re-allocation and/or secondment.

After the Corporate Reorganisation, CDW will focus on in its role as an investment holding company, assuming primarily head-office functions in respect of setting overall corporate goals for the Group and providing strategic business planning and development for its subsidiaries.

The current existing Group structure was decided upon by the management of the Group prior to the IPO. The Directors are now of the view that the Corporate Reorganisation will result in a more cost-efficient Group structure and an even more well-managed Group.

C. Effect of the Corporate Reorganisation

The Corporate Reorganisation is an internal corporate restructuring exercise which does not have a material impact on the Group's business, financial and tax position, and does not involve a disposal of any business, asset or Group company by the Group, or an acquisition of any new business, asset or company. None of the Directors or controlling shareholders has any interests in the transactions contemplated under the Corporate Reorganisation.

At the Group level, the Corporate Reorganisation has no impact on the net tangible asset value per share and earnings per share of CDW.

Upon completion of the Corporate Reorganisation, the issued and paid-up share capital of each Target Company remains unchanged.

Messrs Deloitte & Touche have advised the Group that based on current tax laws and practices, the Corporate Reorganisation will not give rise to any adverse tax implications for the Group.

Messrs Deloitte & Touche have also advised the Group that as all of the companies in the Group are incorporated outside of Singapore, no Singapore stamp duty should be payable on the transactions contemplated under the Corporate Reorganisation.

D. Implementation of the Corporate Reorganisation

The Corporate Reorganisation will take effect on 22 September 2005.