

CIRCULAR DATED 4 APRIL 2007

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold all your ordinary shares in the capital of CDW Holding Limited, you should immediately hand this Circular and the enclosed Proxy Form to the purchaser or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser.

Your attention is drawn to page 12 of this Circular in respect of actions to be taken if you wish to attend and vote at the Special General Meeting.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



CDW HOLDING LIMITED

(Incorporated in Bermuda)
(Bermuda Company Registration No. 35127)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE RENEWAL OF THE SHARES PURCHASE MANDATE; AND**
- (2) THE PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	25 April 2007 at 3:15 pm
Date and time of Special General Meeting	:	27 April 2007 at 3:15 p.m. (or immediately thereafter following the conclusion or adjournment of the 2007 Annual General Meeting of the Company held at 3:00 p.m. on the same day and at the same place)
Place of Special General Meeting	:	Orchard Room, Level 4, Raffles City Convention Centre, 2 Stamford Road, Singapore 178882

CONTENTS

	Page(s)
DEFINITIONS.....	3
LETTER TO SHAREHOLDERS OF CDW HOLDING LIMITED.....	6
1. INTRODUCTION	6
2. THE PROPOSED RENEWAL OF THE SHARES PURCHASE MANDATE.....	6
3. THE PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY	11
4. DIRECTORS' RECOMMENDATION	12
5. SPECIAL GENERAL MEETING	12
6. ACTIONS TO BE TAKEN BY SHAREHOLDERS	12
7. DIRECTORS' RESPONSIBILITY STATEMENT	12
8. DOCUMENTS FOR INSPECTION	13
APPENDIX 1: GUIDELINES ON SHARES PURCHASES	14
APPENDIX 2: THE PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY	17
NOTICE OF SPECIAL GENERAL MEETING	19
PROXY FORM	

DEFINITIONS

For the purpose of this Circular, the following definitions have, where appropriate, been used in this Appendix, the following definitions shall apply throughout unless otherwise stated in this Appendix or the context otherwise requires:

“Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Audit Committee”	:	The Audit Committee of the Company
“Bermuda Companies Act”	:	The Companies Act 1981 of Bermuda (as amended)
“Board”	:	The board of Directors of the Company
“Bye-laws”	:	The bye-laws of the Company, as amended, supplemented or modified from time to time
“CDP” or “Depository”	:	The Central Depository (Pte) Limited
“CDW” or the “Company”	:	CDW Holding Limited, an exempted company incorporated in Bermuda
“CEO”	:	Chief Executive Officer
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company.
“Council”	:	The Securities Industry Council
“Directors”	:	The Directors of the Company
“Executive Directors”	:	The Executive Directors of the Company
“FY”	:	Financial year ended or, as the case may be, ending 31 December
“Group”	:	The Company and its subsidiaries.
“Hong Kong” or “HK”	:	The Hong Kong Special Administrative Region of The PRC
“Independent Directors”	:	The Independent Directors of the Company
“Latest Practicable Date”	:	29 March 2007, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The SGX-ST listing manual
“Market Day”	:	A day on which SGX-ST is open for securities trading

“Market Purchases”	:	On-market acquisitions of Shares on the SGX-ST through the Central Limit Order Book trading system during the Relevant Period. For the purposes of this definition, a market acquisition means an on-market purchase transacted on SGX-ST through the Central Limit Order Book trading system
“Maximum Price”	:	The maximum price at which the Shares can be purchased pursuant to the Shares Purchase Mandate, which shall not exceed the sum constituting five per cent. (5%) above the average closing price of the Shares over the period of five (5) Market Days in which transactions in the Shares on the SGX-ST were recorded, in the case of a Market Purchase, before the day on which such purchase is made and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period, and, in the case of an Off-Market Purchase, immediately preceding the date of offer by the Company, as the case may be
“Month”	:	Calendar month
“NTA”	:	Net tangible assets
“Off-Market Purchases”	:	Off-market acquisitions of Shares undertaken by the Company during the Relevant Period on an equal access scheme as defined in Section 76C of the Act, and a “Off-Market Purchase” shall be construed accordingly
“Offeree Shareholders”	:	Shareholders holding Shares at the time of an offer of Shares Purchase, and an “Offeree Shareholder” shall be construed accordingly
“Relevant Period”	:	The period commencing from the date the Shares Purchase Mandate is conferred by the Company in general meeting at the SGM and expiring on the earlier of the date the next annual general meeting of the Company is held or is required by law to be held, or the date the said mandate is revoked or varied by the Company in general meeting.
“Required Price”	:	In relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 which is the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Company’s Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by the Council under Rule 14.3 of the Take-over Code
“Securities and Futures Act”	:	Securities and Futures Act (Chapter 289) of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of Shares

“Shares”	:	Shares of US\$0.02 each in the capital of the Company
“Shares Purchases”	:	Off-Market Purchases or Market Purchases undertaken by the Company during the Relevant Period and, a “Shares Purchase” shall be construed accordingly
“Shares Purchase Mandate”	:	The mandate to authorise the Directors to make Shares Purchases within the Relevant Period, or within any one financial year of the Company, whichever is earlier, of up to ten per cent. (10%) of the issued ordinary share capital of the Company (ascertained as at the date of the last annual general meeting of the Company or the date of the SGM, whichever is the higher) at the price of up to but not exceeding the Maximum Price, in accordance with the “Guidelines on Shares Purchases” set out in Appendix 1 of this Circular and the rules of the SGX-ST
“SGM”	:	Special General Meeting, notice of which is given on page 19 of this Circular
“Subsidiaries”	:	The subsidiaries of a company (as defined in Section 5 of the Act) and “Subsidiary” shall be construed accordingly
“Substantial Shareholder”	:	A person who has an interest in not less than 5% of the total votes attached to all the voting shares of a company
“Take-over Code”	:	Singapore Code on Take-over and Mergers Revised Edition, effective 1 January 2002, as the same may be modified, supplemented or amended from time to time
“%” or “per cent.”	:	Percentage
“HK\$”	:	Hong Kong dollars and cents respectively
“JPY”	:	Japanese yen
“S\$”	:	Singapore dollars and cents respectively
“US\$”	:	US dollars and cents respectively

The expressions “our”, “ourselves”, “us”, “we” or other grammatical variations thereof shall, unless otherwise stated, mean our Company and our subsidiaries.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Securities and Futures Act, the Companies Act, or any statutory modifications thereof and used in this Appendix, where applicable, shall have the meaning assigned to it under the Securities and Futures Act, the Companies Act or statutory modifications as the case may be.

Any reference to a time of day in this Appendix will be a reference to Singapore time, unless otherwise stated.

CDW HOLDING LIMITED

(Incorporated in Bermuda)
(Bermuda Company Registration No. 35127)

Directors:-

YOSHIMI Kunikazu
URANO Koichi
KIYOTA Akihiro
LAI Shi Hong, Edward
NG Wai Kee
WONG Chak Weng
WONG Yik Chung, John

Registered Office:-

Canon's Court
22 Victoria Court
Hamilton HM12
Bermuda

LETTER TO SHAREHOLDERS

4 April 2007

To: The Shareholders of CDW Holding Limited

Dear Sir/Madam,

1. INTRODUCTION

- 1.1 The Directors of the Company have convened the SGM to be held on 27 April 2007 to seek Shareholders' approval for the following proposals:
- (a) the proposed renewal of the Shares Purchase Mandate (as defined in paragraph 2.1 below); and
 - (b) the proposed amendments to the Bye-laws of the Company.
- 1.2 The purpose of this Circular is to provide Shareholders with the reasons for, and information relating to, the proposals to be tabled at the SGM.
- 1.3 The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Circular.

2. THE PROPOSED RENEWAL OF THE SHARES PURCHASE MANDATE

2.1 The Shares Purchase Mandate

- 2.1.1 At the SGM held on 24 June 2006, Shareholders had approved, *inter alia*, the adoption of the Shares Purchase Mandate to enable the Company to purchase or otherwise acquire its issued Shares.
- 2.1.2 The Shares Purchase Mandate authorises the Directors to make Shares Purchases from time to time within the Relevant Period, or within any one financial year of the Company, whichever is earlier, of up to ten per cent. (10%) of the issued Shares of the Company (ascertained as at the date of the last annual general meeting of the Company or at the date of the SGM held on 24 June 2006, whichever is the higher) at the price of up to but not exceeding the Maximum Price. The authority conferred on the Directors by the Shares Purchase Mandate will expire on the date of the forthcoming 2007 Annual General Meeting which will be held on 27 April 2007. Accordingly, the Directors are convening the SGM to be held on 27 April 2007 at 3:15 p.m. or as soon as practicable immediately thereafter following the conclusion or adjournment of the 2007 Annual General Meeting of the Company held at 3:00 p.m. on the same day and at the same place, to seek the approval of Shareholders for the renewal of the Shares Purchase Mandate.

- 2.1.3 Any purchase of Shares by the Company will have to be made in accordance with, and in the manner prescribed by, the Bermuda Companies Act and such other laws and regulations as may for the time being be applicable. As the Company is listed on the SGX-ST, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to the purchase or acquisition of issued ordinary shares in the capital of a company which is listed on the SGX-ST. The “Guidelines on Shares Purchases” are set out in Appendix 1 of this Circular.
- 2.1.4 The Company did not purchase any Shares prior to the date of this Circular. As at the Latest Practicable Date, the Company has 488,000,000 Shares and the exercise in full of the Shares Purchase Mandate would result in the purchase of up to 48,800,000 Shares. The Company may purchase Shares by way of Off-Market Purchases and/or Market Purchases. In the event that subsequent to the SGM, there are new rules, regulations, directives or laws enacted or promulgated by the relevant competent authorities including but not limited to the SGX-ST and the Council (hereinafter, collectively referred to as the “**Further Rules**”) that augment, supplement or vary the existing provisions governing provisions set out in the Bermuda Companies Act and/or the Listing Manual, the Company shall, to the extent that the Further Rules impact on the Shares Purchase Mandate, disseminate to the public by announcement(s), a Memorandum setting out such Further Rules and the extent to which the Shares Purchase Mandate is affected by such Further Rules. In such an event, the Company shall not undertake any purchase of Shares until such a Memorandum has been publicly disseminated.

2.2 Rationale for the Shares Purchase Mandate

- 2.2.1 Short term speculation may at times cause the market price of the Shares to be depressed below the true value of the Company and the Group. The proposed Shares Purchase Mandate will provide the Directors with the means to restore investors’ confidence and to protect existing Shareholders’ investments in the Company in a depressed share-price situation through judicious Shares Purchases to enhance the earnings per Share and/or the net asset value per Share. The Shares Purchases will enhance the net asset value per Share if the Shares Purchases are made at a price below the net asset value per Share.
- 2.2.2 The proposed Shares Purchase Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to the Shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and the Shareholders.

The Directors will only make a Shares Purchase as and when the circumstances permit and only if the Directors are of the view that such purchases are in the best interests of the Company and the Shareholders.

2.3 Source of funds

- 2.3.1 Under the Bermuda Companies Act, a purchase of shares may only be funded out of the capital paid up on the shares to be purchased, or out of the funds of the company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares made for the purpose of the purchase, and the premium payable on the purchase (i.e. the amount paid in excess of the nominal value of the shares to be purchased) must be provided for out of the funds of the company which would otherwise be available for dividend or distribution, or out of the company’s share premium account before the shares are purchased.
- 2.3.2 The Company will use internal resources and/or external borrowings to finance Shares Purchases. It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Shares Purchase Mandate on the net asset value and earnings per Share as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases.

2.4 Financial and other impact

2.4.1 The purchased Shares will be cancelled. Any Shares Purchase will reduce the issued share capital of the Company by the nominal value of the Shares purchased. No reduction is made to the Company's authorised share capital. The NTA of the Company and the Group will be reduced by the aggregate purchase price paid by the Company for the Shares. The purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

2.4.2 The impact of the Shares Purchases by the Company pursuant to the proposed Shares Purchase Mandate on the Group's and the Company's financial positions is illustrated below. Based on the existing issued and paid-up ordinary share capital of the Company as at the Latest Practicable Date, the exercise in full of the Shares Purchase Mandate would result in the purchase of up to 48,800,000 Shares. Assuming that the Maximum Price is \$0.15, which is five per cent. (5%) above the average of the closing prices of the Shares over the five (5) trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded and deemed to be adjusted for any corporate action that occurs after the said five (5)-day period, the maximum amount of funds required for the purchase of up to 48,800,000 Shares is approximately \$7,320,000 (equivalent to approximately US\$4,824,000). On this assumption, the impact of the Shares Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2006 is as follows:

	← Group →		← Company →	
	Before Shares Purchases US\$'000	After Shares Purchases US\$'000	Before Shares Purchases US\$'000	After Shares Purchases US\$'000
<u>As at 31 December 2006</u>				
Shareholders' equity	49,633	44,809	28,197	23,373
Net tangible assets (NTA) ⁽¹⁾	46,064	41,240	28,197	23,373
Current Assets	75,022	70,198	100	100
Current Liabilities	46,130	46,130	164	164
Working Capital	28,892	24,068	(64)	(64)
Total Liabilities	50,469	50,469	164	164
<u>Number of Shares ('000)</u>	488,000	439,200	488,000	439,200
<u>Financial Ratios</u>				
NTA Per Share, US cents	9.44	9.39	5.78	5.32
Basic Earnings Per Share, US cents	1.06	1.18	N/A	N/A
Gearing ⁽²⁾	0.29	0.32	N/A	N/A
Current ratio ⁽³⁾	1.63	1.52	0.61	0.61

Notes:

(1) Net tangible assets equals Shareholders' equity less intangible assets.

(2) Gearing equals total bank borrowings and hire purchase creditors for the Group and Company respectively, divided by Shareholders' equity.

(3) Current ratio equals current assets divided by current liabilities.

- 2.4.3 As at 31 December 2006, the Group and the Company had cash balances and fixed deposits of US\$26,836,000 and US\$1,016,000 respectively. In order to effect a purchase of up to 48,800,000 Shares at the Maximum Price computed at the Latest Practicable Date, cash reserves by the Company of approximately US\$4,824,000 will be required.
- 2.4.4 For purposes of this illustration, it is assumed that the Company demands the repayment of approximately US\$4,824,000 from its related corporations to finance purchases of its Shares. The Company may, however, when making Shares Purchases pursuant to the Shares Purchase Mandate, use internal resources and/or external borrowings to finance the purchases.
- 2.4.5 As illustrated above, the purchase of Shares will have the effect of reducing the working capital and the net tangible assets of the Company and/or the Group by the dollar value of the Shares purchased. The consolidated NTA per Share as at 31 December 2006 will decrease from 9.44 US cents to 9.39 US cents as a result of the reduction in the number of issued Shares after the Shares Purchases.
- 2.4.6 Assuming that the Shares Purchases had taken place on 31 December 2006, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2006 would be increased from 1.06 US cents per Share to 1.18 US cents per Share as a result of the reduction in the number of issued Shares, after taking into account interest income foregone (based on an interest rate of 1.5% per annum, being the prevailing savings interest rate for Singapore dollars in Singapore). The Company's non-current assets will decrease from US\$28,261,000 to US\$23,437,000 as it is assumed that the Company demands the repayment from its related corporations to finance the purchases of its Shares while its current assets and current liabilities will remain unchanged after the purchase at the Maximum Price in a Market Purchase. The Group's current assets will decrease from US\$75,022,000 to US\$70,198,000 after the purchase.
- 2.4.7 As the Shares Purchases will reduce the cash reserves of the Group, there will be a corresponding reduction in the current assets and the Shareholders' equity of the Group. The current ratios of the Group will decline. The actual impact on the current ratios will depend on the number of Shares purchased and the prices at which the Shares were purchased.
- 2.4.8 Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited financial year 2006 numbers, and is not necessarily representative of future financial performance.**
- 2.4.9 The Company will take into account both financial factors (for example, cash surplus, debt position and working capital requirement) and non-financial factors (for example, share market conditions and the performance of the shares) in assessing the relative impact of a Shares Purchase before execution.
- 2.4.10 Shares Purchases by the Company pursuant to the Shares Purchase Mandate will only be made in circumstances where it is considered to be in the best interests of the Company. It should be noted that purchases pursuant to the Shares Purchase Mandate may not be carried out to the full ten per cent. (10%) as mandated. Further, the Directors do not propose to exercise the Shares Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

2.5 Tax Implications

- 2.5.1 Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.6 Take-over consequences

2.6.1 Requirement To Make General Offer

Under Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Shares Purchase by the Company will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Rule 14.1 of the Take-over Code requires, inter alia, that, except with the consent of the Council, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of share capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

The offer required to be made under the provisions of Rule 14.1 of the Take-over Code shall, in respect of each class of share capital involved, be in cash or be accompanied by a cash alternative at the Required Price.

2.6.2 Application of the Take-Over Code

As at the Latest Practicable Date, the Directors' and Substantial Shareholders' shareholding interests in the Company are as follows:

Name	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
<u>Directors</u>				
YOSHIMI Kunikazu (Note)	–	–	239,680,000	49.11
URANO Koichi	–	–	–	–
KIYOTA Akihiro	200,000	0.04	–	–
LAI Shi Hong, Edward	200,000	0.04	–	–
NG Wai Kee	–	–	–	–
WONG Chak Weng	–	–	–	–
WONG Yik Chung, John	100,000	0.02	–	–
<u>Substantial Shareholders</u>				
Mikuni Co., Ltd	239,680,000	49.11	–	–
The China Fund, Inc.	60,000,000	12.30	–	–

Note:

- (1) Mr Yoshimi is deemed interested in the Shares held by Mikuni Co., Ltd. by virtue of his shareholdings in Mikuni Co., Ltd.

Mr Yoshimi Kunikazu, our Director, owns the entire issued and paid-up share capital of Mikuni Co., Ltd. Based on the shareholding of Mikuni Co., Ltd. above, as at the Latest Practicable Date, it owns 49.11% of the voting rights of the Company. In the event the Company decides to undertake Shares Purchases such that Mikuni Co., Ltd breaches the limits prescribed in Rule 14.1 of the Take-over Code, the Company will, prior to the execution of the Shares Purchases, procure Mr. Yoshimi Kunikazu and Mikuni Co. Ltd to seek the necessary clearances from the Securities Industries Council as to whether an obligation to make an offer by Mr. Yoshimi Kunikazu and Mikuni Co., Ltd under Rule 14.1 of the Take-over Code would arise.

Based on the respective individual shareholdings of our Directors, Mr Kiyota Akihiro, Mr Lai Shi Hong, Edward and Mr Wong Yik Chung, John, and our Substantial Shareholder, The China Fund, Inc., above, in the event that the Company undertakes Shares Purchases of up to ten per cent. (10%) of the issued share capital of the Company as permitted by the Shares Purchase Mandate, none of the resultant shareholdings of our Directors and Substantial Shareholders will increase to thirty per cent. (30%) or more. Accordingly, no mandatory offer is required to be made pursuant to the Take-over Code.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to make Shares Purchases pursuant to the Shares Purchase Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of Shares Purchases by the Company are advised to consult their professional advisers and/or the Council and/or other relevant authorities at the earliest opportunity.

- 2.6.3 **Shares bought by the Company in the previous twelve (12) months.** The company has not made any purchase of Shares in the twelve (12) months preceding the Latest Practicable Date.

2.7 Listing status of the Company's securities

- 2.7.1 The Directors will ensure that the Shares Purchases will not have any effect on the listing of the Company's securities including the Shares listed on the SGX-ST. Clause 723 of the Listing Manual requires at least ten per cent. (10%) of any class of a company's listed securities to be held by the public at all times. The Directors shall safeguard the interests of public Shareholders (as defined in the Listing Manual) before undertaking any Shares Purchases. Before exercising the Shares Purchase Mandate, the Directors shall at all times take due cognisance of (a) the then shareholding spread of the Company in respect of the number of Shares held by Substantial Shareholders and by non-Substantial Shareholders and (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Shares Purchase.
- 2.7.2 As at the Latest Practicable Date, 178,820,000 shares (36.64%) of a total of 488,000,000 Shares issued by the Company are held by the public. The Company is of the view that there is sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake Shares Purchases of up to ten per cent. (10%) of its issued ordinary share capital within the Relevant Period, or within any one financial year of the Company, whichever is earlier, without affecting the listing status of the Shares on the SGX-ST. The Company will ensure that notwithstanding the Shares Purchases, a sufficient float in the hands of the public will be maintained in order not to cause market illiquidity or affect orderly trade.

3. THE PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

- 3.1 Currently, only registered shareholders of the Company can attend and vote at general meetings of the Company, and a Depositor holding Shares through the Depository would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at a general meeting of the Company, the Depositor would have to do so through the Depository appointing him/her as a proxy, pursuant to the Bye-laws and the Bermuda Companies Act and such proxy form would need to be completed and deposited not less than forty-eight (48) hours before the time of the relevant general meeting. The amendments will enable Depositors to attend and vote at general meetings of the Company without the Depository having to lodge proxy forms appointing Depositors as proxies forty-eight hours prior to such meetings provided that a Depositor who is a corporation and who wishes to attend meetings of the Company must lodge the proxy forms to nominate such person(s) to vote at such meetings on its behalf as the proxy or proxies appointed by the Depository. The amended Bye-laws will deem all Depositors who are individuals and whose names are on the records of the Depository at the relevant time as proxies appointed by the Depository and therefore allow them to attend and vote at the general meetings of the Company. Depositors will still be able to nominate others as proxies of the Depository by lodging the relevant proxy form to nominate such person(s) to vote at such meetings on his/her behalf as the proxy or proxies appointed by the Depository but this will not prevent them from attending and voting at the meetings themselves and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 3.2 **Text of Bye-laws to be amended.** The text of the Bye-laws which are proposed to be amended are set out in Appendix 2 of this Circular.

4. DIRECTORS' RECOMMENDATION

- 4.1 **The Proposed Renewal of Shares Purchase Mandate.** Having fully considered the rationale set out in Section 2.2 of this Circular for the proposed Shares Purchase Mandate, the Directors believe that the Shares Purchase Mandate is in the interest of the Company and recommend that the Shareholders vote in favour of Ordinary Resolution (1) set out on page 19 of this Circular.
- 4.2 **The Proposed Amendments to the Bye-Laws of the Company.** The Directors are of the opinion that the proposed amendments to the Bye-laws are in the best interests of the Company and recommend that the Shareholders vote in favour of Special Resolution (2) set out on page 19 of this Circular.

5. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on page 19 of this Circular, will be held at Orchard Room, Level 4, Raffles City Convention Centre, 2 Stamford Road, Singapore 178882 on 27 April 2007 at 3:15 p.m. (or immediately thereafter following the conclusion or adjournment of the 2007 Annual General Meeting of the Company to be held at 3:00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modification the resolutions set out in the Notice of SGM on page 19 of this Circular.

6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the SGM and who wish to appoint a proxy to attend and vote on their behalf are requested to complete, sign and return the relevant Proxy Form dispatched to Shareholders together with this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer agent, Lim Associates (Pte) Ltd., at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 not later than forty-eight (48) hours before the time fixed for the SGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the meeting if he wishes to do so.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Appendix are fair and accurate and that there are no material facts the omission of which would make any statement in this Appendix misleading.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Singapore Share Transfer Agent of the Company, Lim Associates (Pte) Ltd., at 3 Church Street #08-01, Samsung Hub, Singapore 049483 during normal business hours from the date of this Circular up to and including the date of the SGM:

- (a) the Bye-laws of the Company; and
- (b) the audited financial statements of the Company for the financial year ended 31 December 2006.

Yours faithfully
For and on behalf of the Board of Directors of
CDW HOLDING LIMITED

LAI Shi Hong, Edward
Executive Director

GUIDELINES ON SHARES PURCHASES

1. Shareholders' Approval

- (a) Purchases of Shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.
- (b) A general mandate authorising the purchase of Shares by the Company representing up to ten per cent. (10%) of the Company's issued ordinary share capital will expire on the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the date by which the next annual general meeting of the Company is required by law to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.
- (c) The authority conferred on the Directors by the Shares Purchase Mandate to purchase Shares shall be renewed at the next annual general meeting of the Company.
- (d) When seeking Shareholders' approval for the renewal of the Shares Purchase Mandate, the Company shall disclose details pertaining to the purchases of Shares made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest price for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2. Mode Of Purchase

Shares Purchases can be effected by the Company in either one of the following two ways or both:

- (a) by way of market purchases of Shares on the Official List of SGX-ST, which means a purchase transacted through the Central Limit Order Book trading system; or
- (b) by way of off-market acquisitions on an equal access scheme as defined in section 76C of the Act.

3. Funding Of Shares Purchases

- (a) In purchasing the Shares, the Company may only apply funds legally permitted for such purchase in accordance with its Bye-laws, and the relevant laws and regulations enacted or prescribed by the relevant competent authorities in Bermuda and Singapore.
- (b) Any purchase by the Company may only be funded out of the capital paid up on the shares to be purchased, or out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of Shares made for the purpose of the purchase, and the premium payable on the purchase (i.e. the amount paid in excess of the nominal value of the Shares to be purchased) must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the Company's share premium account before the Shares are purchased.

- (c) The Company may not purchase its Shares on the Official List of SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

4. Trading Restrictions

The number of Shares which can be purchased pursuant to the Shares Purchase Mandate is such number of Shares which represents up to a maximum of ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of the last annual general meeting of the Company or at the date of the SGM, whichever is the higher, during the Relevant Period, or within any one financial year of the Company, whichever is earlier.

5. Price Restrictions

Any Shares Purchase undertaken by the Company shall be at the price of up to but not exceeding the Maximum Price.

6. Off-Market Purchases

- (a) For purchases of Shares made by way of an Off-Market Purchase, the Company shall issue an offer document to all Shareholders. The offer document shall contain, inter alia, the following information:
 - (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed Shares Purchase;
 - (iv) the consequences, if any, of Shares Purchase by the Company that will arise under the Singapore Code on Take-overs and Mergers or any other applicable take-over rules;
 - (v) whether the purchase of Shares, if made, would have any effect on the listing of the Company's securities on the Official List of SGX-ST; and
 - (vi) details of any purchase of Shares made by the Company in the previous twelve (12) months whether through Market Purchases or Off-Market Purchases, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.
- (b) All Offeree Shareholders shall be given a reasonable opportunity to accept any offer made by the Company to purchase their Shares under the Shares Purchase Mandate.
- (c) The Company may offer to purchase Shares from time to time under the Shares Purchase Mandate subject to the requirement that the terms of any offer to purchase Shares by the Company shall be *pari passu* in respect of all Offeree Shareholders save under the following circumstances:
 - (i) where there are differences in consideration attributable to the fact that an offer relates to Shares with different dividend entitlements;
 - (ii) where there are differences in consideration attributable to the fact that an offer relates to Shares with different amounts remaining unpaid; and
 - (iii) where there are differences in an offer introduced solely to ensure that every Shareholder is left with a whole number of Shares in board lots of 1,000 Shares after the Shares Purchases, in the event there are Offeree Shareholders holding odd numbers of Shares.

7. Status Of Purchased Shares

The listing of all purchased Shares on the SGX-ST will be automatically cancelled and the relative certificates for these Shares shall be cancelled and destroyed. The Company's purchased Shares shall be treated as cancelled and the issued share capital of the Company shall be diminished by the nominal value of these cancelled Shares accordingly. No reduction is made to the Company's authorised capital.

8. Notification To The SGX-ST

- (1) The Company must notify the SGX-ST of any Shares Purchases as follows:
 - (a) in the case of a market acquisition, by 9:00 a.m. on the market day following the day on which it purchased Shares; or
 - (b) in the case of an off-market acquisition under an equal access scheme, by 9:00 a.m. on the second market day after the close of acceptances of the offer.
- (2) Notification must be in the form of Appendix 8.3.1 of the Listing Manual (or 8.3.2 if the Company has a dual listing on another stock exchange). Such announcement must include details of the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

9. Suspension Of Purchase

- (a) The Company may not undertake any Shares Purchase prior to the announcement of any price-sensitive information by the Company, until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.
- b) The Company may not effect any repurchases of Shares on the SGX-ST during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before half year or financial year, as the case may be, and ending on the date of announcement of the relevant results.

THE PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

The amendments which are proposed to be made to the Bye-laws are set out below. For ease of reference and where appropriate, the full text of the Bye-laws proposed to be altered has also been reproduced and the principal amendments underlined.

Existing Bye-law 85

85. Provided that if the shareholder is the Depository:-

- (A) the Depository may appoint more than two (2) proxies or a corporate representative to attend and vote at the same general meeting, notwithstanding Bye-law 84;
- (B) the Company shall be entitled and bound:-
 - (i) to reject any instrument of proxy lodged if the proxy first named in that instrument, being the Depositor, is not shown, in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company, to have any shares credited to a securities account;
 - (ii) to accept as the maximum number of votes which in aggregate all the proxies appointed by the Depository in respect of a particular Depositor are able to cast on a poll a number which is the number of shares credited to the securities account of that Depositor, as shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of the Depository; and
 - (iii) the Company shall accept as valid in all respects the form of proxy approved by the Depository (the "CDP Proxy Form") for use at the date relevant to the general meeting in question notwithstanding that the same permits the Depositor concerned to nominate a person or persons other than himself as the proxy or proxies appointed by the Depository. The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed CDP Proxy Form submitted to it, to have regard to the instructions given by and the notes (if any) set out in the CDP Proxy Form.

Proposed amendment to existing Bye-law 85

85. Provided that if the shareholder is the Depository:-

- (A) the Depository may appoint more than two (2) proxies or a corporate representative to attend and vote at the same general meeting, notwithstanding Bye-law 84;
- (B) the Company shall be entitled and bound:-
 - (i) to reject any instrument of proxy lodged if the proxy first named in that instrument, being the Depositor, is not shown, in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company, to have any shares credited to a securities account;
 - (ii) to accept as the maximum number of votes which in aggregate all the proxies appointed by the Depository in respect of a particular Depositor are able to cast on a poll a number which is the number of shares credited to the securities account of that Depositor, as shown in the records of the Depository as at a time

not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of the Depository;

- (iii) the Company shall accept as valid in all respects the form of proxy approved by the Depository (the "CDP Proxy Form") for use at the date relevant to the general meeting in question notwithstanding that the same permits the Depositor concerned to nominate a person or persons other than himself as the proxy or proxies appointed by the Depository. The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed CDP Proxy Form submitted to it, to have regard to the instructions given by and the notes (if any) set out in the CDP Proxy Form; and
- (iv) unless the Depository specifies otherwise in a written notice to the Company, the Depository shall be deemed to have appointed as the Depository's proxies to vote on behalf of the Depository at a general meeting of the Company each of the Depositors who are individuals and whose names are shown in the records of the Depository (as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting) supplied by the Depository to the Company and notwithstanding any other provisions in these Bye-laws, the appointment of proxies by virtue of this Bye-law 85(B)(iv) shall not require an instrument of proxy or the lodgement of any instrument of proxy.

Existing Bye-law 92

92. In any case where a form of proxy appoints more than one (1) proxy (including the case where such appointment results from a nomination by the Depository), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

Proposed amendment to Bye-law 92

By deleting Bye-law 92 in its entirety and replacing it with the following:

92. In any case where an instrument of proxy (including the case where a CDP Proxy Form is used) appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.

CDW HOLDING LIMITED

(Incorporated in Bermuda)
(Bermuda Company Registration No. 35127)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of CDW Holding Limited (the “**Company**”) will be held on 27 April 2007 at 3:15 p.m.(or immediately thereafter following the conclusion or adjournment of the 2007 Annual General Meeting of the Company held at 3:00 p.m. on the same day and at the same place) at Orchard Room, Level 4, Raffles City Convention Centre, 2 Stamford Road, Singapore 178882, for the purpose of considering and, if thought fit, passing (with or without modification) the following resolutions:-

All capitalised terms in the Resolutions below and defined in the Circular shall, unless otherwise defined in this Notice, bear the respective meanings ascribed thereto in the Circular.

ORDINARY RESOLUTION 1: THE RENEWAL OF THE SHARES PURCHASE MANDATE

“THAT pursuant to the Bye-law 7(B), the Directors of the Company be and are hereby authorized to make purchases of Shares from time to time (whether by way of market purchases or off-market purchases on an equal excess scheme) of up to ten per cent. (10%) of the issued ordinary share capital of the Company (ascertained as at the date of the last annual general meeting of the Company or at the date of the SGM, whichever is the higher) during the Relevant Period, or within any one financial year of the Company, whichever is earlier, at the price of up to but not exceeding the Maximum Price, in accordance with the “Guidelines on Share Purchases” set out in Appendix 1 of the Circular and this mandate shall, unless revoked or varied by the Company in general meeting continue in force until the date that the next annual general meeting of the Company is held or is required by law to be held, whichever is earlier.”

SPECIAL RESOLUTION 2: THE AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

“THAT the Bye-laws of the Company be and is hereby amended in the manner as set out in Appendix 2 of the Circular to Shareholders dated 4 April 2007.”

By Order of the Board

LEE Teck Leng, Robson
TAN San-Ju
Company Secretaries

4 April 2007

Notes:

1. A shareholder entitled to attend and vote at the Special General Meeting is entitled to appoint another person as his proxy to attend and vote on his behalf. A shareholder who is the holder of two or more shares may appoint not more than two proxies to attend on the same occasion, with the exception of the Central Depository (Pte) Limited, who may appoint more than two proxies. A proxy need not be a shareholder of the Company.
2. The instrument appointing a proxy or proxies must be deposited at the Company’s mailing address at the office of the Singapore Share Transfer Agent, Lim Associates (Pte) Ltd., at 3 Church Street #08-01 Samsung Hub, Singapore 049483, not less than 48 hours before the time appointed for holding the Special General Meeting.

