

CIRCULAR DATED 5 MAY 2008

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 (the “**Company**”), 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 18 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.

The approval-in-principle from the SGX-ST is not an indication of the merits of the Scheme (as defined in Appendix 1 of the Circular), the amended CDW Holding ESOS (as defined in the Circular) and the new Shares (as defined in the Circular) issued pursuant to the Scheme, the Company, its subsidiaries, its associated companies or the Shares.



CDW HOLDING LIMITED

(Incorporated in Bermuda on 2 April 2004)
(Bermuda Company Registration Number: 35127)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED AMENDMENTS TO THE CDW HOLDING SHARE OPTION SCHEME RULES; AND**
- (2) THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	20 May 2008 at 3:00 p.m.
Date and time of Special General Meeting	:	22 May 2008 at 3:00 p.m.
Place of Special General Meeting	:	3 Church Street, #08-01 Samsung Hub, Singapore 049483

CONTENTS

DEFINITIONS	3
1. INTRODUCTION	8
2. THE PROPOSED AMENDMENTS TO THE CDW HOLDING ESOS RULES	8
3. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE	10
4. LIMITS ON SHAREHOLDINGS	17
5. SPECIAL GENERAL MEETING	18
6. ACTION TO BE TAKEN BY SHAREHOLDERS AND DEPOSITORS	18
7. DIRECTORS' RECOMMENDATION	18
8. DIRECTORS' RESPONSIBILITY STATEMENT	19
9. DOCUMENTS FOR INSPECTION	19
 APPENDIX 1	
THE PROPOSED AMENDMENTS TO THE CDW HOLDINGS ESOS RULES	20
 APPENDIX 2	
THE GUIDELINES ON SHARE PURCHASES	27
 THE NOTICE OF SPECIAL GENERAL MEETING	30
 PROXY FORM	

DEFINITIONS

For the purpose of this Circular, the following definitions have, where appropriate, been used:

“ACRA”	:	The Accounting and Corporate Regulatory Authority
“AGM”	:	The annual general meeting of the Company
“Amended CDW Holding ESOS”	:	Has the meaning ascribed to it in Section 2.2.4 of this Circular
“Associate”	:	Shall bear the meaning assigned to it by the Listing Manual
“Audit Committee”	:	The Audit Committee of the Company
“Auditors”	:	The auditors of the Company for the time being
“Award”	:	A contingent award of Shares granted under the Scheme
“Bermuda Companies Act”	:	The Companies Act 1981 of Bermuda (as amended)
“Board”	:	The board of the Directors of the Company
“Bye-laws”	:	The Bye-laws of the Company
“CDW Holding ESOS”	:	The CDW Holding Share Option Scheme as approved by Shareholders on 8 November 2004
“CDW Holding ESOS Committee”	:	A committee comprising directors of the Company, duly authorised and appointed by the Board to administer the Amended CDW Holding ESOS
“CDW Holding ESOS Rules”	:	The rules of the CDW Holding ESOS
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer
“Committee”	:	A committee comprising Directors duly authorised and appointed by the Board to administer the Scheme
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Companies Amendment Act”	:	The Companies Amendment Act 2006 of Bermuda
“Company” or “CDW”	:	CDW Holding Limited
“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 a company

“Council”	:	The Securities Industry Council
“Directors”	:	Directors of the Company as at the date of this Circular
“EPS”	:	Earnings per Share
“Executive Directors”	:	The executive directors of the Company
“Further Rules”	:	Has the meaning ascribed to it in Section 3.1.5 of this Circular
“FY”	:	Financial year ended or ending 31 December
“Group”	:	The Company and its Subsidiaries
“Group Employee”	:	Any employee of the Group (including any Group Executive Directors who meet the relevant age and rank criteria and whose services had been seconded to a company within the Group) selected by the Committee to participate in the Scheme, in accordance with the provisions thereof
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“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 April 2008, being the latest practicable date prior to the submission of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	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

“Memorandum of Association”	:	The Memorandum of Association of the Company
“Month”	:	Calendar month
“Non-Executive Director”	:	A person who is: <ul style="list-style-type: none"> (a) an Independent Director of the Company; or (b) a Director of the Company and/or any of its subsidiaries, as the case may be, other than a Group Executive Director
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	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 Companies 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
“Option”	:	Option to subscribe for Shares, pursuant to the CDW Holding ESOS
“Previous Shares Purchase Mandate”	:	Has the meaning ascribed to it in Section 3.1.1 of this Circular
“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
“SGM”	:	Special General Meeting, notice of which is given on page 30 of this Circular
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered shareholders of the Shares
“Shares”	:	Shares of US\$0.02 each in the capital of the Company
“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 2 of this Circular and the rules of the SGX-ST
“Shares Purchases”	:	Off-Market Purchases or Market Purchases undertaken by the Company during the Relevant Period and, a “Shares Purchase” shall be construed accordingly
“Subsidiaries”	:	The subsidiaries of a company (as defined in Section 5 of the Companies Act) and “Subsidiary” shall be construed accordingly
“Substantial Shareholders”	:	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”	:	The Singapore Code on Take-overs and Mergers
“HK\$”	:	Hong Kong dollars and cents respectively
“JPY”	:	Japanese yen
“S\$”	:	Singapore dollars
“US\$” or “US cents”	:	US dollars and cents respectively
“%” or “per cent”	:	Per centum or percentage

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

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively by Section 130A of 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 Number: 35127)

Directors:-

Kunikazu YOSHIMI (Chairman and Chief Executive Officer)
Koichi URANO (Executive Director)
Akihiro KIYOTA (Executive Director)
LAI Shi Hong, Edward (Executive Director)
DYMO Hua Cheung, Philip (Executive Director)
NG Wai Kee (Independent Director)
WONG Chak Weng (Independent Director)
WONG Yik Chung (Independent Director)
HO Yew Mun (Independent Director)

Registered Office:-

Canon's Court
22 Victoria Court
Hamilton HM12
Bermuda

5 May 2008

To: The Shareholders and Depositors of CDW Holding Limited.

- (1) **THE PROPOSED AMENDMENTS TO THE CDW HOLDING ESOS RULES; AND**
- (2) **THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE**

Dear Shareholder

1. INTRODUCTION

The purpose of this Circular is to provide Shareholders and Depositors with the relevant information pertaining to, and to seek Shareholders' approval at the SGM to be held on 22 May 2008 for the following:-

- (1) proposed amendments to the CDW Holding ESOS Rules; and
- (2) proposed adoption of the Share Buyback Mandate.

The notice of the SGM is set out on page 30 of this Circular.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Circular.

2. THE PROPOSED AMENDMENTS TO THE CDW HOLDING ESOS RULES

2.1 The Board proposes to amend the CDW Holding ESOS Rules to enable the Non-Executive Directors to participate in the same. It is recognised that there are other persons who make significant contributions to the Group through their close working relationships with the Group, even though they are not employed within the Group. Such persons include the Non-Executive Directors.

The Non-Executive Directors are persons from different professions and working backgrounds, bringing to the Group their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping the Group shape its business strategy by allowing the Group to draw on their diverse backgrounds and working experience. It is crucial for the Group to attract, retain and incentivise the Non-Executive Directors. By aligning the interests of the Non-Executive Directors with the interests of Shareholders, the Company aims to inculcate a sense of commitment on the part of the Non-Executive Directors towards serving the short and long-term objectives of the Group.

The Directors are of the view that including the Non-Executive Directors in the CDW Holding ESOS will show the Company's appreciation for, and further motivate them in their contribution towards the success of the Group.

For the purpose of assessing the contributions of the Non-Executive Directors, the CDW Holding ESOS Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors. In addition, the Committee will also consider the scope of advice given, the number of contacts and size of deals which the Group is able to procure from the contacts and recommendations of the Non-Executive Directors.

It is envisaged that the Options to be granted to the Non-Executive Directors based on the criteria set out above will be relatively small, in terms of frequency and numbers. Based on this, the Directors are of the view that the participation by the Non-Executive Directors in the Amended CDW Holding ESOS will not compromise their independent status.

In compliance with the requirements of the Listing Manual, any participant of the CDW Holding ESOS who is a member of the CDW Holding ESOS Committee shall not be involved in its deliberations in respect of Options to be granted to or held by that member of the CDW Holding ESOS Committee.

2.2 The Proposed Amendments to the CDW Holding ESOS Rules

The proposed amendments to the CDW Holding ESOS Rules and the reasons therefor, are set out below.

2.2.1 Rule 2.1

Rule 2.1 of the CDW Holding ESOS Rules is the interpretation section of the CDW Holding ESOS Rules. To enable the Non-Executive Directors to participate in the CDW Holding ESOS, the definition of "Non-Executive Director" is inserted immediately after the definition of "Market Day". "Non-Executive Director" means a person who is either an independent Director of the Company; or a Director of the Company and/or any of its subsidiaries, as the case may be, other than the Group Executive Director.

2.2.2 Rule 3

Rule 3 of the CDW Holding ESOS Rules states the objectives of the CDW Holding ESOS. In order to expressly state that the objectives of the CDW Holding ESOS Rules include showing the Company's appreciation for and further motivating the Non-Executive Directors in their contribution towards the success of the Group, the words "Non-Executive Directors" are inserted immediately:

- (a) after the words "opportunity for the" in the second line of the first paragraph of Rule 3; and
- (b) after the words "secure the future contribution by the" in the fifth line of the first paragraph of Rule 3.

2.2.3 Rule 4

Rule 4.1 of the CDW Holding ESOS Rules states the persons who are eligible to participate in the CDW Holding ESOS. For the purpose of allowing Non-Executive Directors to participate in the CDW Holding ESOS Rules, the words "(c) Non-Executive Directors of the Company; and" is inserted immediately after paragraph (b) of Rule 4.1. In conjunction with the aforesaid amendment, paragraph (c) of the existing Rule 4.1 is re-alphabetised as paragraph (d).

Rule 4.2 provides that Employees who are either Controlling Shareholders or their Associates are not eligible to participate in the CDW Holding ESOS. To take into account of the inclusion of the participation of the Non-Executive Directors in the CDW Holding ESOS, the words “or Non-Executive Directors” are inserted immediately after the words “Employees” in the first line of Rule 4.2 such that Non-Executive Directors who are either Controlling Shareholders or their Associates are also not eligible to participate in the CDW Holding ESOS.

2.2.4 Rule 5

Rule 5.2 of the CDW Holding ESOS states the limitations under the CDW Holding ESOS. For the purpose of applying such limitations to the Non-Executive Directors, the following amendments are proposed to be made:

- (a) the words “or a Non-Executive Director, as the case maybe,” are inserted immediately after the words “offered to an Employee” in the second line of Rule 5.2;
- (b) the words “or Non-Executive Director, as the case maybe,” are inserted immediately after the words “future development of the Employee” in the fifth line of Rule 5.2;
- (c) the words “or Non-Executive Director, as the case maybe,” are inserted immediately after the words “to any one Employee” in the sixth line of Rule 5.2;
- (d) the words “or Non-Executive Director, as the case maybe,” are inserted immediately after the words “already granted to such Employee” in the seventh line of Rule 5.2; and
- (e) the words “and Non-Executive Directors” are inserted immediately after the words “Options available to the Employees” in the eighth line of Rule 5.2.

On 21 April 2008, the SGX-ST granted approval-in-principle for the listing and quotation of the new Shares issued pursuant to the CDW Holding ESOS, as amended in the manner proposed above (“**Amended CDW Holding ESOS**”). The SGX-ST assumes no responsibility for the correctness of statements made or reports contained, or opinions expressed in this Circular. The approval-in-principle from the SGX-ST is not an indication of the merits of the Amended CDW Holding ESOS, the new Shares issued pursuant to the Scheme, the Company, its subsidiaries, its associated companies or the Shares.

3. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

3.1 The Shares Purchase Mandate

- 3.1.1 At the SGM held on 26 June 2006 and 27 April 2007, Shareholders had approved, *inter alia*, the adoption of a share purchase mandate (the “**Previous Shares Purchase Mandate**”) to enable the Company to purchase or otherwise acquire its issued Shares.
- 3.1.2 The Previous Shares Purchase Mandate authorised 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) at the price of up to but not exceeding the Maximum Price, which is 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.

- 3.1.3 The authority conferred on the Directors by the Previous Shares Purchase Mandate expired on the date of the Annual General Meeting which was held on 28 April 2008. Accordingly, the Directors are convening a SGM to be held on 22 May 2008 to seek the approval of Shareholders for the adoption of the Shares Purchase Mandate, which is on the same terms of the Previous Shares Purchase Mandate.
- 3.1.4 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 2 of this Circular.
- 3.1.5 The Company did not purchase any Shares prior to the date of this Circular. As at the Latest Practicable Date, the Company has 506,405,221 Shares and the exercise in full of the Shares Purchase Mandate would result in the purchase of up to 50,640,000 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.

3.2 Rationale for the Shares Purchase Mandate

- 3.2.1 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.
- 3.2.2 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 Purchases 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.

3.3 Source of funds

- 3.3.1 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.

3.3.2 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.

3.4 Status of purchased Shares under the Shares Purchase Mandate

A Share purchased or acquired by the Company is deemed cancelled immediately and the relative certificates for the Share shall be cancelled and destroyed on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the issued share capital of the Company shall be diminished by the nominal value of the Shares purchased or acquired by the Company and which are not held as treasury shares. No reduction is made to the Company's authorised capital. Under the Companies Amendment Act, in order for the Company to hold Shares as treasury shares, either its Memorandum of Association or its Bye-laws must permit the Company to acquire and hold shares as treasury shares. Currently, the Bye-laws does not provide for the Company to hold Shares as treasury shares. In the event the Company propose to purchase or acquire Shares to be held as treasury shares, the Company will amend its Bye-laws to specifically permit the Company to acquire and hold shares as treasury shares.

3.5 Treasury Shares

Under the Bermuda Companies Act, as amended by the Companies Amendment Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act, as amended by the Companies Amendment Act, are summarised below:

3.5.1 Maximum holdings

The Company may not acquire its own shares to be held as treasury shares if, as a result of the acquisition, all of the Company's issued shares, other than the Shares to be held as treasury shares, would be non-voting Shares.

3.5.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings of the Company.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distributions of assets to members on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed and any such bonus shares shall be treated for the purposes of the Bermuda Companies Act as if they had been acquired by the Company at the time they were allotted.

3.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may, *inter alia*, at any time:

- (a) dispose of or transfer all or any of the Shares for cash or other consideration; or
- (b) cancel all or any of the Shares.

3.6 Financial and other impact

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2007, are based on the following principal assumptions:

- (a) the acquisition of Shares pursuant to the Share Purchase Mandate had taken place on 1 January 2007 for the purpose of computing the financial effects on the EPS of the Group;
- (b) the acquisition of Shares pursuant to the Share Purchase Mandate had taken place on 1 January 2007 for the purpose of computing the financial effects on the shareholders' equity, NTA per share and gearing of the Group and the Company; and
- (c) transaction costs incurred for the acquisition of Shares pursuant to the Share Purchase Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

3.6.1 Purchase or acquisition out of capital or profits

Under the Bermuda Companies Act, as amended by the Companies Amendment Act, purchases or acquisitions of Shares by the Company shall be made in accordance with the requirements thereof and no purchase or acquisition by the Company of its own shares may be effected if, on the date on which the purchase or acquisition is effected, there are reasonable grounds for believing that the Company is, or after the purchase or acquisition would be, unable to pay its liabilities as they become due.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

3.6.2 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued capital of the Company comprised 506,405,221 Shares. No Shares are reserved for issue by the Company as at the Latest Practicable Date.

3.6.3 Financial effects

For illustrative purposes only, and on the basis of the assumptions set out below, the financial effects of the:

- (a) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and held as treasury shares; and
- (b) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and cancelled,

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2007 are set out below.

The cancellation of any Shares pursuant to a 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.

For illustrative purposes only, in a Shares Purchase, assuming that the Maximum Price is S\$0.07 which is five per cent. (5%) above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 50,640,000 Shares (representing approximately ten per cent. (10%) of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buyback Mandate, is approximately S\$3,545,000 (equivalent to approximately US\$2,604,000).

On these assumptions, 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 2007 is as follows:

	← Group →		← Company →	
	Before Shares Purchase US\$'000	After Shares Purchase US\$'000	Before Shares Purchase US\$'000	After Shares Purchase US\$'000
<u>As at 31 December 2006</u>				
Shareholders' equity	52,935	50,331	30,151	27,547
Net tangible assets (NTA) ⁽¹⁾	51,419	48,815	30,151	27,547
Current Assets	73,539	70,935	122	122
Current Liabilities	45,891	45,891	182	182
Working Capital	27,648	25,044	(60)	(60)
Total Liabilities	51,427	51,427	182	182
Number of Shares ('000)	506,405	455,765	506,405	455,765
Financial Ratios				
NTA Per Share, US cents	10.15	10.70	5.95	6.03
Basic Earnings Per Share, US cents	(0.06)	(0.07)	N/A	N/A
Gearing ⁽²⁾	0.40	0.42	N/A	N/A
Current ratio ⁽³⁾	1.60	1.54	0.67	0.67

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.

- 3.6.4 As at 31 December 2007, the Group and the Company had cash balances and fixed deposits of US\$29,509,000 and US\$1,622,000 respectively. In order to effect a purchase of up to 50,640,000 Shares at the Maximum Price computed at the Latest Practicable Date, cash reserves by the Company of approximately US\$2,604,000 will be required.
- 3.6.5 For purposes of this illustration, it is assumed that the Company demands the repayment of approximately US\$2,604,000 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.
- 3.6.6 As illustrated above, the purchase of Shares will have the effect of reducing the working capital and the NTA of the Company and/or the Group by the dollar value of the Shares purchased. The consolidated NTA per Share as at 31 December 2007 will increase from 10.15 US cents to 10.70 US cents as a result of the reduction in the number of issued Shares after the Shares Purchases.
- 3.6.7 Assuming that the Shares Purchases had taken place on 1 January 2007, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2007 would be increased from the loss of 0.05623 US cents per Share to the loss 0.07129 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\$30,211,000 to US\$27,607,000 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\$73,539,000 to US\$70,935,000 after the purchase.
- 3.6.8 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 and the Company 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.
- 3.6.9 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 2007 numbers, and is not necessarily representative of future financial performance.**
- 3.6.10 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.
- 3.6.11 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.

3.7 Tax Implications

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.

3.8 Take-over consequences

3.8.1 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.

3.8.2 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		Options to subscribe for new Shares
	Number of Shares	%	Number of Shares	%	
<u>Directors</u>					
Kunikazu Yoshimi ⁽¹⁾	18,405,221	3.63	239,680,000	47.33	–
Koichi Urano	–	–	–	–	1,952,000
Akihiro Kiyota	200,000	0.04	–	–	1,952,000
Lai Shi Hong, Edward	200,000	0.04	–	–	1,464,000
Dymo Hua Cheung, Philip	400,000	0.08	–	–	1,952,000
Ho Yew Mun	–	–	–	–	–
Ng Wai Kee	–	–	–	–	–
Wong Chak Weng	–	–	–	–	–
Wong Yik Chung, John	100,000	0.02	–	–	–
<u>Substantial Shareholders</u>					
Mikuni Co., Ltd	239,680,000	47.33	–	–	–
The China Fund, Inc.	60,000,000	11.85	–	–	–

Note:

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

Mr Kunikazu Yoshimi, our Director, owns the entire issued and paid-up share capital of Mikuni Co., Ltd. Based on the shareholding of Mikuni Co., Ltd. and Mr Yoshimi Kunikazu above, as at the Latest Practicable Date, they collectively own more than fifty per cent. (50%) of the voting rights of the Company. In the event the Company undertake Shares Purchases of up to ten per cent. (10%) of the issued share capital of the Company as permitted by the Shares Purchase Mandate, Mikuni Co., Ltd and Mr Yoshimi Kunikazu are not required under the Take-over Code to make a mandatory offer.

Based on the respective individual shareholdings of our Directors, Mr Akihiro Kiyota, Mr Lai Shi Hong, Edward, Mr Dymo Hua Cheung, Philip 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.

3.8.3 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.

3.9 Listing status of the Company's securities

3.9.1 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.

3.9.2 As at the Latest Practicable Date, 184,650,000 shares (36.46%) of a total of 506,405,221 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.

4. LIMITS ON SHAREHOLDINGS

The Company does not have any limits on the shareholding of any Shareholder.

5. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on page 30 of this Circular, will be held at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 on 22 May 2008 at 3:00 p.m. to be held 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 30 of this Circular.

6. ACTION TO BE TAKEN BY SHAREHOLDERS AND DEPOSITORS

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, Boardroom Corporate & Advisory Services Pte Ltd, at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 not later than 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.

Under the Bermuda Companies Act, only a person whose name is entered in the register of members of a Bermuda company may have rights to attend and vote at general meetings of such company. Accordingly, under Bermuda laws, a Depositor holding Shares through the CDP 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. Pursuant to bye-law 85(B)(iv) of the by-laws of the Company, unless the CDP specifies otherwise in a written notice to the Company, the CDP shall be deemed to have appointed as the CDP's proxies to vote on behalf of the CDP at a general meeting of the Company each of the Depositors who are individuals and whose names are shown in the records of the CDP (as at a time not earlier than 48 hours prior to the time of the general meeting) supplied by the CDP to the Company. In addition, such appointment of proxies shall not require an instrument of proxy or the lodgement of any instrument of proxy.

Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at 48 hours before the time of the SGM may attend and vote at the SGM without having to complete or return any form of proxy.

A Depositor which is a corporation and which wishes to attend and vote at the SGM must complete and return the enclosed Depositor Proxy Form, for the nomination of person(s) to attend and vote at the SGM on behalf of CDP. Depositors who wish to nominate an alternative person(s) to attend and vote at the SGM on behalf of CDP must also complete and return the enclosed Depositor Proxy Form.

To be valid, the enclosed Depositor Proxy Form must be signed and returned, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach one of the places specified in the Depositor Proxy Form not less than 48 hours before the time for holding the SGM. The completion and return of the Depositor Proxy Form by a Depositor (other than a Depositor which is a corporation) will not prevent him from attending and voting in person at the SGM as a proxy of CDP if he subsequently wishes to do so.

7. DIRECTORS' RECOMMENDATION

7.1 The proposed amendments to the CDW Holding ESOS Rules

Subject to the Shareholders' approval to be sought at the SGM, the Executive Directors, save for Mr Kunikazu Yoshimi who is a Controlling Shareholder, and the Non-Executive Directors are eligible to participate in and therefore interested in, the Amended CDW Holding ESOS. They have accordingly abstained from making any recommendation on, and shall abstain from voting in respect of Resolution 1 relating to the proposed amendments to the CDW Holding ESOS Rules.

The Company will also procure that, save for Mr Kunikazu Yoshimi, the Directors and their Associates will decline to accept appointment as proxies for Shareholders to vote on Resolution 1 unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Resolution 1.

All employees of the Group and any other persons who will benefit or are likely to benefit from the implementation of the Amended CDW Holding ESOS will abstain from voting at the SGM on Resolution 1. In addition, the Company will procure persons who are eligible to participate in the Amended CDW Holding ESOS to abstain from voting on Resolution 1.

7.2 The proposed adoption of the Shares Purchase Mandate

The Directors are of the opinion that the adoption of the proposed Shares Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 2, being the Ordinary Resolution relating to the proposed Shares Purchase Mandate.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

9. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Singapore Share Transfer Agent of the Company, Boardroom Corporate & Advisory Services 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;
- (b) the amended CDW Holding ESOS Rules; and
- (c) the audited financial statements of the Company for the financial year ended 31 December 2007.

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

Lai Shi Hong, Edward
Executive Director

THE PROPOSED AMENDMENTS TO THE CDW HOLDING ESOS RULES

The amendments which are proposed to be made to the CDW Holding ESOS Rules are set out below. For ease of reference and where appropriate, the full text of the CDW Holding ESOS Rules proposed to be altered has also been reproduced and the principal alterations underlined.

1. Rule 2.1

Existing Rule 2.1

“Acceptance Period”	The period within which an Option may be accepted, as described in Rule 7
“Act”	The Companies Act, Chapter 50 of Singapore as amended or modified from time to time
“Adoption Date”	The date on which the Scheme is adopted by the Company in a special general meeting
“Aggregate Subscription Cost”	The total amount payable for the Shares to be subscribed for on the exercise of an Option, including the aggregate Exercise Price for such Shares and the relevant CDP Charges described under Rule 19
“Associated Company”	A company in which at least 20% but not more than 50% of its shares are held by the Company or our Group and over which the Company has control
“Auditors”	The auditors for the time being of the Company
“Board”	The board of directors for the time being of the Company
“CDP”	The Central Depository (Pte) Limited
“CPF”	Central Provident Fund
“Committee”	A committee comprising directors of the Company, duly authorised and appointed by the Board to administer the Scheme
“Company”	CDW Holding Limited, a company incorporated in Bermuda
“Controlling Shareholder”	A group Employee or an Associated Company Employee who, in relation to the Company, who holds directly or indirectly 15% or more of the nominal amount of all the Shares or in fact has control of the Company’s affairs
“Depositor”	Shall have the meaning ascribed to it under the Act
“Depository Agent”	An entity registered as a depository agent with the CDP for the purpose of maintaining securities sub-accounts for its own account and for the account of others
“Executive Director”	A director who is a full-time employee of the Company and who performs an executive function

“Employee”	An executive director of any member of our Group, or a full-time employee of any member of our Group, who is selected by the Committee to participate in the Scheme in accordance with Rule 4.
“Exercise Price”	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 8.1.
“Grantee”	A person to whom an offer of an Option is made
“Group”	The Company and its subsidiaries
“Market Day”	A day on which the SGX-ST is open for trading in securities
“Offering Date”	The date on which an Option is granted pursuant to Rule 6
“Option”	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 8
“Option Period”	The period for the exercise of an Option as set out in Rule 9.1
“Participant”	The holder of an Option
“Rules”	The rules of the Scheme, as the same may be amended from time to time
“Scheme”	The rules of the Scheme, as the same may be amended from time to time
“Securities Account”	The securities account maintained by a Depositor with CDP
“SGX-ST”	The Singapore Exchange Securities Trading Limited
“Shareholders”	The registered holders of the Shares except where the registered holder is CDP, the term “Shareholder” shall in relation to such Shares, mean the Depositor whose Securities Account are credited with Shares
“Shares”	Fully-paid ordinary shares of US\$0.02 each in the capital of the Company
“\$”	Singapore dollars
“%”	Per centum
<u>Proposed amendment to Rule 2.1</u>	
“Acceptance Period”	The period within which an Option may be accepted, as described in Rule 7
“Act”	The Companies Act, Chapter 50 of Singapore as amended or modified from time to time
“Adoption Date”	The date on which the Scheme is adopted by the Company in a special general meeting

“Aggregate Subscription Cost”	The total amount payable for the Shares to be subscribed for on the exercise of an Option, including the aggregate Exercise Price for such Shares and the relevant CDP Charges described under Rule 19
“Associated Company”	A company in which at least 20% but not more than 50% of its shares are held by the Company or our Group and over which the Company has control
“Auditors”	The auditors for the time being of the Company
“Board”	The board of directors for the time being of the Company
“CDP”	The Central Depository (Pte) Limited
“CPF”	Central Provident Fund
“Committee”	A committee comprising directors of the Company, duly authorised and appointed by the Board to administer the Scheme
“Company”	CDW Holding Limited, a company incorporated in Bermuda
“Controlling Shareholder”	A group Employee or an Associated Company Employee who, in relation to the Company, who holds directly or indirectly 15% or more of the nominal amount of all the Shares or in fact has control of the Company’s affairs
“Depositor”	Shall have the meaning ascribed to it under the Act
“Depository Agent”	An entity registered as a depository agent with the CDP for the purpose of maintaining securities sub-accounts for its own account and for the account of others
“Executive Director”	A director who is a full-time employee of the Company and who performs an executive function
“Employee”	An executive director of any member of our Group, or a full-time employee of any member of our Group, who is selected by the Committee to participate in the Scheme in accordance with Rule 4.
“Exercise Price”	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 8.1.
“Grantee”	A person to whom an offer of an Option is made
“Group”	The Company and its subsidiaries
“Market Day”	A day on which the SGX-ST is open for trading in securities
“ <u>Non-Executive Director</u> ”	<u>A person who is:</u> (a) <u>an independent director of the Company; or</u> (b) <u>a director of the Company and/or any of its subsidiaries, as the case may be, other than a Group executive director</u>
“Offering Date”	The date on which an Option is granted pursuant to Rule 6

“Option”	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 8
“Option Period”	The period for the exercise of an Option as set out in Rule 9.1
“Participant”	The holder of an Option
“Rules”	The rules of the Scheme, as the same may be amended from time to time
“Scheme”	The rules of the Scheme, as the same may be amended from time to time
“Securities Account”	The securities account maintained by a Depositor with CDP
“SGX-ST”	The Singapore Exchange Securities Trading Limited
“Shareholders”	The registered holders of the Shares except where the registered holder is CDP, the term “Shareholder” shall in relation to such Shares, mean the Depositor whose Securities Account are credited with Shares
“Shares”	Fully-paid ordinary shares of US\$0.02 each in the capital of the Company
“\$”	Singapore dollars
“%”	Per centum

2. Rule 3

Existing Rule 3

3. Objectives of the Scheme

The Scheme is a share incentive scheme. The purpose of the Scheme is to provide an opportunity for the Executive Directors and Employees of our Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance. The Scheme is proposed on the basis that it is important to acknowledge and secure the future contribution by the Executive Directors and Employees, which is essential to the well-being and prosperity of our Group, made respectively by these categories of persons. The Company, by adopting the Scheme, will give these categories of persons a real and meaningful stake in the Company at no direct cost to its profitability and will help to achieve the following objectives:

- (a) the motivation of Participants to optimise performance standards and efficiency and to maintain a high level of contribution;
- (b) to make total employee remuneration sufficiently competitive to recruit and retain key employees whose contributions are important to the long term growth and prosperity of our Group;
- (c) to align the interests of employees with the interests of the shareholders of the Company;
- (d) the attainment of harmonious employer/staff relations, as well as the strengthening of working relationships with them; and

- (e) the development of a participatory style of management which promotes greater commitment and dedication amongst the employees and instils loyalty and a stronger sense of identification with the long term prosperity of our Group.

Proposed amendment to Rule 3

3. Objectives of the Scheme

The Scheme is a share incentive scheme. The purpose of the Scheme is to provide an opportunity for the Non-Executive Directors, Executive Directors and Employees of our Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance. The Scheme is proposed on the basis that it is important to acknowledge and secure the future contribution by the Non-Executive Directors, Executive Directors and Employees, which is essential to the well-being and prosperity of our Group, made respectively by these categories of persons. The Company, by adopting the Scheme, will give these categories of persons a real and meaningful stake in the Company at no direct cost to its profitability and will help to achieve the following objectives:

- (a) the motivation of Participants to optimise performance standards and efficiency and to maintain a high level of contribution;
- (b) to make total employee remuneration sufficiently competitive to recruit and retain key employees whose contributions are important to the long term growth and prosperity of our Group;
- (c) to align the interests of employees with the interests of the shareholders of the Company;
- (d) the attainment of harmonious employer/staff relations, as well as the strengthening of working relationships with them; and
- (e) the development of a participatory style of management which promotes greater commitment and dedication amongst the employees and instils loyalty and a stronger sense of identification with the long term prosperity of our Group.

3. Rule 4

Existing Rule 4

4 Eligibility

4.1 The following persons (provided that such persons are not undischarged bankrupts at the relevant time) shall be eligible to participate in the Scheme at the absolute discretion of the Committee:

- (a) confirmed full-time employees of the Company and/or its subsidiaries who have attained the age of 21 years on or before the Offering Date;
- (b) Executive Directors of the Company and/or its subsidiaries; and
- (c) employees who qualify under sub-paragraph (a) above and are seconded to an Associated Company or any other company outside our Group in which the Company and/or Group has an equity interest, and who, in the absolute discretion of the Committee is selected to participate in the Scheme.

For the purposes of paragraph 4.1(c) above, the secondment of an employee to another company shall not be regarded as a break in his employment or his having ceased employment as a full-time employee of our Group by reason only of such secondment.

4.2 Employees who are either Controlling Shareholders or their associates are not eligible to participate in the Scheme.

- 4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within our Group, or by any Associated Company or otherwise.
- 4.4 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

Proposed amendment to Rule 4

4 Eligibility

- 4.1 The following persons (provided that such persons are not undischarged bankrupts at the relevant time) shall be eligible to participate in the Scheme at the absolute discretion of the Committee:
- (a) confirmed full-time employees of the Company and/or its subsidiaries who have attained the age of 21 years on or before the Offering Date;
 - (b) Executive Directors of the Company and/or its subsidiaries; ~~and~~
 - (c) Non-Executive Directors of the Company; and
 - ~~(e)~~(d) employees who qualify under sub-paragraph (a) above and are seconded to an Associated Company or any other company outside our Group in which the Company and/or Group has an equity interest, and who, in the absolute discretion of the Committee is selected to participate in the Scheme.

For the purposes of paragraph 4.1(~~e~~d) above, the secondment of an employee to another company shall not be regarded as a break in his employment or his having ceased employment as a full-time employee of our Group by reason only of such secondment.

- 4.2 Employees or Non-Executive Directors who are either Controlling Shareholders or their associates are not eligible to participate in the Scheme.
- 4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within our Group, or by any Associated Company or otherwise.
- 4.4 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

4. Rule 5

Existing Rule 5

5. Limitations under the Scheme

- 5.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under the Scheme, shall not exceed 15% of the issued Shares of the Company on the day preceding that date.
- 5.2 Subject to Rule 4, the aggregate number of Shares in respect of which Options may be offered to an Employee for subscription in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as the rank and responsibilities within our Group, performance, years of service and potential for future development of the Employee, and the general performance of our Group provided that any grant of Options to any one Employee together with Options already granted to such Employee under the Scheme, which represents 5% or more of the total number of Options available to the Employees must be approved by independent Shareholders.

Proposed amendment to Rule 5

5. Limitations under the Scheme

- 5.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under the Scheme, shall not exceed 15% of the issued Shares of the Company on the day preceding that date.
- 5.2 Subject to Rule 4, the aggregate number of Shares in respect of which Options may be offered to an Employee or a Non-Executive Director, as the case maybe, for subscription in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as the rank and responsibilities within our Group, performance, years of service and potential for future development of the Employee or Non-Executive Director, as the case maybe, and the general performance of our Group provided that any grant of Options to any one Employee or Non-Executive Director, as the case maybe, together with Options already granted to such Employee or Non-Executive Director, as the case maybe, under the Scheme, which represents 5% or more of the total number of Options available to the Employees and Non-Executive Directors must be approved by independent Shareholders.

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

A Share purchased or acquired by the Company is deemed cancelled immediately and the relative certificates for the Share shall be cancelled and destroyed on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the issued share capital of the Company shall be diminished by the nominal value of the Shares purchased or acquired by the Company and which are not held as treasury shares. 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 am 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 am 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.

CDW HOLDING LIMITED

(Incorporated in Bermuda on 2 April 2004)
(Bermuda Company Registration Number: 35127)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of CDW Holding Limited (the “**Company**”) will be held at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 on 22 May 2008 at 3:00 p.m. 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.

Resolution 1

Ordinary Resolution: Proposed amendments to the CDW Holding ESOS Rules

THAT the proposed amendments to the CDW Holding ESOS Rules which are set out in Appendix 1 of the Circular, be and are hereby approved and adopted.

Resolution 2

Ordinary Resolution: Adoption of the proposed Share Buyback 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 Shares Purchases” set out in Appendix 2 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 the earlier.

By Order of the Board

Tan San-Ju
Company Secretary

5 May 2008

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. A Depositor may appoint more than two proxies or corporate representatives. A proxy need not be a shareholder of the Company.
2. If a Shareholder wishes to appoint a proxy/proxies to attend and vote at the SGM in his stead, the Shareholder should complete and submit the form of proxy despatched to Shareholders (the “Shareholder Proxy Form”).

3. Subject to paragraph 5 below, to allow persons (individually a “Depositor” and collectively the “Depositors”) whose names are listed on the depository register (the “Depository Register”) maintained by the CDP as at 20 May 2008 (the “Cut Off Date”) to attend the SGM, arrangements have been made for CDP to issue a proxy form appointing each of the Depositors as at the Cut Off Date, as its proxy/proxies to attend and vote at the SGM, in respect of such number of shares set out opposite their respective names in the Depository Register as at the Cut Off Date. Accordingly, a Depositor who wishes to attend and vote in person at the SGM may do so without having to submit the form of proxy despatched to Depositors (the “Depositor Proxy Form”), provided that a Depositor which is a corporation and which wishes to attend the SGM must submit the Depositor Proxy Form for the nomination of person(s) to attend and vote at the SGM on behalf of CDP.
4. If a Depositor wishes to nominate person(s) to attend and vote at the SGM in his stead on behalf of CDP, the Depositor should complete and submit the Depositor Proxy Form.
5. To be valid, the Shareholder Proxy Form must be signed and together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, deposited at the office of the Company’s Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd, at 3 Church Street, #08-01 Samsung Hub, Singapore 049483, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
6. To be valid, the Depositor Proxy Form must be signed and together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, deposited at the office of the Company’s Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte Ltd, at 3 Church Street, #08-01 Samsung Hub, Singapore 049483, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
7. Where a form of proxy (whether the Shareholder Proxy Form or Depositor Proxy Form or the form of proxy issued by CDP) appoints more than one proxy, please specify the proportion of the shareholding concerned to be represented by each proxy in the form of proxy.

