

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

UPDATES ON THE DISPOSAL OF CRYSTAL DISPLAY COMPONENTS (SUZHOU) CO., LTD

1. INTRODUCTION

CDW Holding Limited (the “**Company**”) refers to its announcements dated 1 August 2012 and 25 January 2013, and the circular to Shareholders in relation to, amongst other matters, the proposed disposal by the Company’s subsidiary, Crystal Display Components (Suzhou) Co., Ltd (“**CD Suzhou**”) of its Factory Premises in Mu Du Town, Suzhou, the People’s Republic of China (“**PRC**”) dated 3 October 2012. All capitalised items used and not defined herein shall have the same meanings given to them in the Circular.

At the Special General Meeting held on 29 October 2012 (“**SGM**”), the Shareholders of the Company had passed a resolution to approve the disposal by CD Suzhou of its Factory Premises pursuant to the terms and conditions of the Acquisition Agreement.

Subsequent to the SGM, the Mu Du Authorities have notified CD Suzhou in writing on 26 July 2013 that it wishes to reclaim the Factory Premises at an earlier date (the “**Notice**”).

2. REVISED TERMS OF THE ACQUISITION AGREEMENT

Under the Acquisition Agreement, the Mu Du Authorities shall pay CD Suzhou the Consideration and compensation in the following instalments:

- (a) by the end of June 2013: RMB19 million (approx. S\$3,952,000*) which has been paid by the Mu Du Authorities to CD Suzhou;
- (b) by the end of December 2013: RMB19 million (approx. S\$3,952,000*) shall be paid within 15 days of CD Suzhou’s delivery of the Factory Premises to the Mu Du Authorities; and
- (c) by December 2014: RMB25,917,800 (approx. S\$5,390,000*).

Under the Acquisition Agreement, it was agreed that CD Suzhou shall deliver the Factory Premises to the Mu Du Authorities on 31 December 2013.

The Mu Du Authorities has informed CD Suzhou via the Notice that it wishes to reclaim the Factory Premises at an earlier date of 30 September 2013, and that it was also willing to bring forward the payment of the remaining second and third instalments of the Consideration and compensation to an earlier date as follows:

Second instalment: Under the Acquisition Agreement, RMB19 million (approx. S\$3,952,000*) was to be paid by the Mu Du Authorities by the end of December 2013, within 15 days of CD Suzhou’s delivery of the Factory Premises to the Mu Du Authorities. Under the revised terms stated in the Notice, the Mu Du Authorities shall pay this instalment within one week of the early delivery of the Factory Premises.

Third and final instalment: Under the Acquisition Agreement, RMB25,917,800 (approx. S\$5,390,000*) was to be paid by December 2014. Under the revised terms stated in the Notice, this instalment shall be paid on or before 30 September 2014.

**Based on the exchange rate of RMB1 to SGD0.208*

By a letter dated 13 September 2013, CD Suzhou notified the Mu Du Authorities in writing that it was agreeable to the revised terms stated under the Notice.

3. SUBSEQUENT DEVELOPMENTS

(a) Future of CD Suzhou

The principal business activity of CD Suzhou is the manufacturing of metal and plastic frames. For the financial years ended 31 December 2010, 2011 and 2012, the metal and plastic frames manufacturing business of CD Suzhou contributed to 5.3%, 3.2% and 2.3%, respectively, of the revenue of the entire Group. Having considered and weighed the profitability of CD Suzhou for the previous three financial years, and its contribution to the revenue of the Group as a whole, and taking into account the declining demand of metal frames for the manufacture of small to medium size LCD modules, the Directors are of the opinion that it would not be financially viable to carry on with the metal stamping business in the long term.

In the previous announcement dated 25 January 2013, the Company had informed Shareholders that it intends to terminate CD Suzhou's business operations in the third quarter of this year. The Board had also announced that with the termination of the business of CD Suzhou, it intends to eventually commence a members' voluntary liquidation of CD Suzhou (the "**Liquidation**").

Since the Factory Premises will be delivered to the Mu Du Authorities earlier, the Board intends to commence the Liquidation after the Factory Premises have been surrendered to the Mu Du Authorities. The Directors do not view the Liquidation as a disposal of a core business of the Group and will not result in a material change to the nature of the Group's business. The Board will make a subsequent announcement once it commences the Liquidation.

(b) Use of Sale Proceeds

The Net Proceeds from the disposal of the Factory Premises will be re-allocated and used for paying the Liquidation costs and the compensation to staff of CD Suzhou. Thereafter, the remaining Net Proceeds will be repatriated to Tomoike Industrial (H.K.) Limited, the holding company of CD Suzhou.

By Order of the Board

Dy Mo Hua Cheung, Philip
Executive Director
13 September 2013