

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

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**ACQUISITION OF 25% EQUITY INTEREST IN  
SUZHOU PENGFU PHOTOELECTRIC TECHNOLOGY COMPANY LIMITED**

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The Board of Directors of CDW Holding Limited (the “**Company**”) wishes to announce that the Company’s wholly-owned subsidiary, Crystal Display Components (Shanghai) Co., Limited (“**SHCD**”) has on 27<sup>th</sup> January 2015 entered into an Investment Master Agreement together with 6 other third parties, namely Suzhou Pengfu Photoelectric Technology Company Limited (苏州鹏富光电科技有限公司) (“**Pengfu**”), Mr Teng Zhonghua, Mr Peng Disheng, Mr Fu Tingshui, Shanghai Jingjia STEP Investment Center (Limited Partnership) and Mr Deng Changguo (collectively the “**Vendors**”) (the “**Agreement**”).

Under the terms of the Agreement, SHCD’s investment in Pengfu shall be as follows:

- (i) Subject to the fulfilment of certain conditions precedent, SHCD shall acquire equity interest of Pengfu from Mr Deng Changguo which will be equivalent to 8.33% of the total equity interest of Pengfu for a consideration sum of RMB5 million; and
- (ii) Thereafter, SHCD shall inject RMB10 million into Pengfu.

Upon the completion of the Agreement, SHCD shall hold a total of 25% equity interest in Pengfu.

**INFORMATION ON PENGFU**

Pengfu is a limited liability company incorporated under the laws of the People’s Republic of China. Its principal activities are the design, development, manufacture and sale of light guide panels. The total registered capital of Pengfu is RMB3.6 million. Upon completion of the Agreement, the registered capital of Pengfu will be increased to RMB4.32 million.

The consideration was arrived at after negotiation on an arm's length and willing buyer and willing seller basis, after taking into account the net book values of Pengfu's plant and equipment, its experienced management, well trained workforce, its production capacity and the Vendors' original acquisition costs. The unaudited net book value and net tangible asset value of Pengfu as at 31<sup>st</sup> December 2014 was RMB11.01 million. There was no independent valuation done on Pengfu or on the shares of Pengfu.

## **RATIONALE**

Pursuant to the terms and conditions of the Agreement, the funds injected are used to procure equipment and machinery to expand Pengfu's production capacity from approximately 1 million units per month to approximately 2 million units per month. Further, Pengfu is obliged to accept orders from and supply to SHCD with first priority in all circumstances. This arrangement would allow the Company and its subsidiaries (the "**Group**") to secure a continuous supply of light guide panels which are a key component of LCD backlight units manufactured by the Group. The Board, after careful consideration, is of the view that this transaction would strengthen the competitive edge of the LCD backlight units business of the Group and therefore is in the best interest of the Group.

## **RELATIVE FIGURES OF THE COMPANY'S INVESTMENT IN PENGFU**

Based on the latest audited financial statements of the Group for the year ended 31<sup>st</sup> December 2013, the relative figures for this transaction ("**Relative Figures**") computed on the bases of assessment pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") are set out below:

<b>Rule</b>	<b>Base</b>	<b>Relative Figure</b>
1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable
1006(b)	Net profits attributable to the assets acquired, compared with the Group's net profits.	0.8%
1006(c)	Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	3.8%

1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issued.	Not applicable
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Notes: The market capitalisation of the Company is S\$85.4 million (equivalent to US\$63.5 million based on the exchange rate of US\$1 = S\$1.3452 (rounded to 4 decimal places), obtained from the Monetary Authority of Singapore on 26<sup>th</sup> January 2015), determined by multiplying the number of shares in issue by S\$0.18, i.e. the weighted average price of the Company's shares transacted on 26<sup>th</sup> January 2015, being the last full market day for which the Company's shares were traded, preceding the date of the Agreement.

The relative figures for this transaction computed on the applicable bases set out in Rule 1006 amounts to less than 5%, therefore this transaction is a non-discloseable transaction under Chapter 10 of the Listing Manual.

### **FINANCIAL EFFECT**

This transaction is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31<sup>st</sup> December 2015.

### **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders has any other interest, direct or indirect, in the above transaction other than through their shareholdings in the Company.

By Order of the Board

Lynn Wan Tiew Leng  
Company Secretary  
27<sup>th</sup> January 2015