

**CIRCULAR DATED 6 APRIL 2015**

**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 pages 28 and 29 of this Circular in respect of actions to be taken if you wish to attend and vote at the Special General Meeting.

An application has been made to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing of and quotation for the Consolidated Shares (as defined herein) on the Main Board of the SGX-ST. An announcement will be made by the Company to notify Shareholders of the date upon receipt of the listing and quotation notice for the listing and quotation of the Consolidation Shares on the Main Board of the SGX-ST.

Approval in-principle granted by the SGX-ST for the listing and quotation of the Consolidated Shares on the Official List of the SGX-ST is not to be taken as an indication of the merit of the Company, its Subsidiaries, the Shares, the Proposed Share Consolidation (as defined herein) or the Consolidated Shares. The SGX-ST 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 on 2 April 2004)  
(Bermuda Company Registration Number: 35127)

## **CIRCULAR TO SHAREHOLDERS**

### **IN RELATION TO**

- (I) THE PROPOSED CONSOLIDATION OF EVERY TWO (2) EXISTING ORDINARY SHARES OF PAR VALUE US\$0.02 EACH IN THE CAPITAL OF THE COMPANY AS AT THE BOOKS CLOSURE DATE INTO ONE (1) ORDINARY SHARE OF PAR VALUE US\$0.04;**
- (II) THE PROPOSED AMENDMENT TO THE BYE-LAWS OF THE COMPANY; AND**
- (III) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	: 27 April 2015 at 3.15 p.m.
Date and time of Special General Meeting	: 29 April 2015 at 3.15 p.m. (or immediately following the conclusion or adjournment of the 2015 Annual General Meeting of the Company to be held at 3.00 p.m. on the same day and at the same place)
Place of Special General Meeting	: Changi Room 1 Holiday Inn Singapore Atrium 317 Outram Road Singapore 169075

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## CONTENTS

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	PAGES
DEFINITIONS.....	3
LETTER TO SHAREHOLDERS	
1. INTRODUCTION.....	7
2. THE PROPOSED SHARE CONSOLIDATION.....	8
3. FINANCIAL EFFECTS OF THE PROPOSED SHARE CONSOLIDATION.....	11
4. ADJUSTMENT TO THE OPTIONS RESULTING FROM THE SHARE CONSOLIDATION .....	12
5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	13
6. THE PROPOSED AMENDMENT TO THE COMPANY'S BYE-LAWS.....	13
7. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE .....	14
8. RATIONALE FOR THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE....	14
9. SOURCE OF FUNDS .....	15
10. STATUS OF PURCHASED SHARES UNDER THE PROPOSED SHARE PURCHASE MANDATE .....	15
11. TREASURY SHARES .....	15
12. FINANCIAL AND OTHER IMPACT ARISING FROM THE SHARE PURCHASE MANDATE....	16
13. TAX IMPLICATIONS.....	26
14. TAKE-OVER CONSEQUENCES.....	26
15. LISTING STATUS OF THE COMPANY'S SECURITIES .....	28
16. LIMITS ON SHAREHOLDINGS .....	28
17. DIRECTORS' RECOMMENDATIONS.....	28
18. SPECIAL GENERAL MEETING .....	28
19. ACTION TO BE TAKEN BY SHAREHOLDERS.....	28
20. DIRECTORS' RESPONSIBILITY STATEMENT .....	29
21. DOCUMENTS AVAILABLE FOR INSPECTION .....	29
ANNEX – GUIDELINES ON SHARES PURCHASES .....	30
NOTICE OF SPECIAL GENERAL MEETING.....	33

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

“Act”	: The Companies Act, Chapter 50 of Singapore, as may be amended from time to time
“2015 AGM”	: The AGM of the Company to be held on 29 April 2015 at 3.00 p.m. at Changi Room 1, Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075
“AGM”	: The annual general meeting of the Company
“Auditors”	: The auditors of the Company from time to time
“Auditor’s Option Certificate”	: The signed certificate of the Auditors dated 1 April 2015, certifying the adjustment to the exercise price of the Options and the number of Options following the Proposed Share Consolidation
“Bermuda Companies Act”	: The Companies Act 1981 of Bermuda as amended from time to time
“Board”	: The board of Directors of the Company as at the date of this Circular
“Books Closure Date”	: The books closure date to be determined by the Board in relation to the Proposed Share Consolidation
“Bye-laws”	: The bye-laws of the Company
“CDP”	: The Central Depository (Pte) Limited
“Company” or CDW”	: CDW Holding Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the SGX-ST
“Circular”	: This circular to Shareholders
“Consolidated Shares”	: Ordinary shares of par value US\$0.04 each in the capital of the Company after completion of the Proposed Share Consolidation
“Council”	: The Securities Industry Council
“Directors”	: Directors of the Company as at the date of this Circular
“Effective Date”	: The effective date of the Proposed Share Consolidation
“Effective Trading Date”	: The date to be determined by the Board as being the date when the Proposed Share Consolidation will become effective and the date on which the Shares will trade on the SGX-ST in board lots of 100 Consolidated Shares
“EPS”	: Earnings per Share
“ESOS Committee”	: The Committee designated to administer the Scheme, consisting of the Directors duly authorised and appointed by the Board
“FY”	: In respect of the Company, the financial year ended, or as the case may be, ending 31 December
“Group”	: The Company and its subsidiaries

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## DEFINITIONS

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“Latest Practicable Date”	: 30 March 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	: The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“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, and a “Market Purchase” shall be construed accordingly
“Memorandum”	: The Memorandum of Association of the Company, as may be amended from time to time
“Maximum Price”	: The maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall:  (a) in the case of a Market Purchase 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 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  (b) in the case of an Off-Market Purchase 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 immediately preceding the date of offer by the Company and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period
“MTP”	: The minimum trading price
“NAV”	: Net asset value
“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 an “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
“Options”	: Means as at the Latest Practicable Date, the 19,000,000 outstanding options granted by the Company in connection with the Scheme
“Proposed Share Consolidation”	: The proposed consolidation of every two (2) existing Shares in the capital of the Company (including treasury shares if any) as at the Books Closure Date into one (1) Consolidated Share

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## DEFINITIONS

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- “Relevant Period” : The period commencing from the date the Share Purchase Mandate is conferred by the Company in general meeting and expiring on the earlier of (i) the date the next AGM of the Company is held or is required by law to be held, or (ii) 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 of the Take-over Code which is 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
- “Register of Members” : The principal register of members and where applicable, any branch register of members, of the Company kept pursuant to the Bermuda Companies Act
- “Scheme” : Means the CDW Employees’ Share Option Scheme 2013 approved and adopted by the Company at a special general meeting held on 27 April 2013
- “Securities and Futures Act” : Securities and Futures Act (Chapter 289) of Singapore
- “Securities Account” : A securities account maintained by a Depositor with CDP
- “SGM” : The special general meeting of the Company to be held on 29 April 2015, notice of which is set out on pages 33 to 35 of this Circular
- “SGX-ST” : Singapore Exchange Securities Trading Limited
- “Shareholders” : 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
- “Share Purchase Mandate” : The general mandate granted by the Shareholders to authorise the Directors to make Shares Purchases within the Relevant Period, or within any one (1) 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 AGM of the Company or at the date of the SGM, whichever is the higher) at the price of up to but not exceeding the Maximum Price, subject to compliance with the Bermuda Companies Act and the rules and regulations of the SGX-ST, the renewal of which is subject to the approval of the Shareholders at the SGM
- “Subsidiaries” : The subsidiaries of a company (as defined in Section 5 of the Act) and “Subsidiary” shall be construed accordingly

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## DEFINITIONS

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“Substantial Shareholder” : A person who has an interest in the Shares, the total votes attached to which is not less than five per cent. (5%) of the total votes attached to all the voting shares of the Company

“Take-over Code” : The Singapore Code on Take-overs and Mergers

### Currencies Units and Others

“%” or “per cent” : Per centum or percentage

“S\$”, “SGD” or “\$” and “cents” : Singapore dollars and cents respectively

“US\$” or “US cents” : United States dollars and cents respectively

The expression “our”, “ourselves”, “us”, “we” or other grammatical variations there of shall, unless otherwise stated mean our company and our subsidiaries.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 130A of the 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, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Future Act, the Act, the Bermuda Companies Act, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act, the Bermuda Companies Act, or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

Unless otherwise indicated, certain U.S. dollar amounts in this Circular have been translated into Singapore dollars and vice versa, based on the exchange rate of US\$1.00 = S\$1.3747 (rounded to 4 decimal places), obtained from the Monetary Authority of Singapore on 30 March 2015.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

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## LETTER TO SHAREHOLDERS

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**CDW HOLDING LIMITED**  
(Incorporated in Bermuda)  
(Bermuda Company Registration Number: 35127)

**Directors:**

Mr. URANO Koichi (Chairman and Chief Executive Officer)  
Mr. KIYOTA Akihiro (Executive Director and Chief Operating Officer)  
Mr. DY MO Hua Cheung, Philip (Executive Director and Chief Financial Officer)  
Mr. OCHI Shinichi (Executive Director)  
Mr. CHONG Pheng (Lead Independent Director)  
Mr. LAI Shi Hong, Edward (Independent Director)  
Mr. MITANI Masatoshi (Independent Director)  
Mr. NG Wai Kee (Independent Director)

**Registered Office:**

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

6 April 2015

To: The Shareholders and Depositors of CDW Holding Limited

- (I) **THE PROPOSED CONSOLIDATION OF EVERY TWO (2) EXISTING ORDINARY SHARES OF PAR VALUE US\$0.02 EACH IN THE CAPITAL OF THE COMPANY AS AT THE BOOKS CLOSURE DATE INTO ONE (1) ORDINARY SHARE OF PAR VALUE US\$0.04;**
- (II) **THE PROPOSED AMENDMENT TO THE BYE-LAWS OF THE COMPANY; AND**
- (III) **THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

Dear Sir/Madam,

**1. INTRODUCTION**

- 1.1 The Directors are convening the SGM to seek Shareholders' approval for the following:
  - (a) Proposed Share Consolidation; and
  - (b) Proposed amendment to the Bye-Laws of the Company; and
  - (c) Proposed renewal of the Share Purchase Mandate
- 1.2 The purpose of this Circular is to provide Shareholders with relevant information pertaining to the aforesaid proposals to be tabled at the SGM and to seek Shareholders' approval for the resolutions relating to the same. The notice of the SGM is set out on pages 33 to 35 of this Circular.
- 1.3 Shareholders should note that the passing of a special resolution relating to the proposed amendment to Bye-laws of the Company is conditional upon the passing of the ordinary resolution relating to the Proposed Share Consolidation. This means that if the resolution relating to the Proposed Share Consolidation is not approved, the other resolution relating to the proposed amendment to the Bye-Laws of the Company will not be duly passed.
- 1.4 As a result of the Proposed Share Consolidation, the Bye-laws are proposed to be amended to reflect the increased par value per Share.



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## LETTER TO SHAREHOLDERS

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### 2. THE PROPOSED SHARE CONSOLIDATION

The Company proposes to undertake a share consolidation exercise.

#### 2.1 Details of the Proposed Share Consolidation

Pursuant to Bye-law 62 of the Bye-laws, the Company is seeking the approval of Shareholders at the SGM to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every two (2) issued and unissued Shares of par value US\$0.02 each in the authorised share capital and issued share capital of the Company into one (1) Consolidated Share. Accordingly, under the Proposed Share Consolidation, every two (2) Shares of par value US\$0.02 each registered in the name, or standing to the credit of the Securities Account, of each Shareholder or Depositor (as the case may be) as at the Books Closure Date will be consolidated into one (1) Consolidated Share. Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fraction of a Consolidated Share which is disregarded,

Each Consolidated Share will rank *pari passu* in all respect with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

The Proposed Share Consolidation will take effect on the Effective Trading Date. An announcement will be made at the appropriate time of the Effective Trading Date.

The Consolidated Shares will be traded in board lots of 100 Consolidated Shares. Please refer to Section 2.7 of this Circular for information on the arrangements made by the Company in relation to the trading of the Shares and odd lots.

As at the Latest Practicable Date, the Company had an issued share capital of US\$10,087,084 divided into 504,354,221 Shares of par value US\$0.02 each (which includes 29,440,000 Shares held as treasury shares). Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the SGM, the issued share capital of the Company will become US\$10,087,084 divided into 252,177,110 Shares of par value of US\$0.04 each after the Proposed Share Consolidation becomes effective.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the SGM, Shareholders' holding of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.

#### 2.2 Rationale

The SGX-ST introduced a minimum trading price ("MTP") of S\$0.20 per share for Mainboard listed issuers as a continuing listing requirement with effect from 2 March 2015. Issuers have a twelve (12)-month transition period ending on 1 March 2016 to take steps to comply with the MTP requirement. Pursuant to the new MTP requirement, issuers which are not able to record a six-month volume weighted average price of S\$0.20 or above on 1 March 2016 and at any of the subsequent quarterly review dates will be placed on the SGX-ST's watch-list. For the period from September 2014 to February 2015, the total value of the share traded is S\$11,197,320 and the total volume of the shares traded is 63,929,900. The Company's actual six-month volume weighted average share price ("6-month VWAP") is 17.51 cents. After the Proposed Share Consolidation, the theoretical adjusted 6-month VWAP will be 35.03 cents.



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## LETTER TO SHAREHOLDERS

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Affected issuers will be afforded a cure period of 36 months to take remedial actions, those which fail to take remedial actions during the cure period may be delisted from the Mainboard of the SGX-ST. The Directors propose to undertake the Proposed Share Consolidation to comply with the MTP requirement to satisfy the continuing listing requirement imposed by the SGX-ST for Mainboard-listed issuers.

The Directors are also of the view that the Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares. Accordingly, the Proposed Share Consolidation may also serve to reduce the transaction costs for investors in their dealings in the Consolidated Shares.

**Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

### 2.3 Conditions

The implementation of the Proposed Share Consolidation is subject to (a) compliance with the SGX-ST's listing requirements, and (b) Shareholders' approval being obtained by way of an ordinary resolution at the SGM.

On 2 April 2015, the Company had obtained in-principle approval from the SGX-ST for the listing and quotation for all the Consolidated Shares on the Mainboard of the SGX-ST subject to, *inter alia*, Shareholders' approval at a SGM to be convened. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Company, its Subsidiaries, the Shares, the Proposed Share Consolidation or the Consolidated Shares.

An announcement will be made by the Company to notify Shareholders of the Effective Trading Date as well as the Books Closure Date in due course.

### 2.4 Updating of Register of Members and Depository Register

After Shareholders' approval has been obtained for the Proposed Share Consolidation at the SGM to be convened, the Shareholders' entitlements of the Consolidated Shares will be determined on the Books Closure Date, whereupon the Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Books Closure Date.

### 2.5 Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates for the existing Shares of par value US\$0.02 each ("Old Share Certificates") in their own names and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date.

After the Books Closure Date, CDP will only accept deposit share certificates for Consolidated Shares ("New Share Certificates"). Shareholders who wish to deposit their Old Share Certificates with CDP after the Books Closure Date must first deliver their Old Share Certificates to the Share Transfer Agent of the Company, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, for cancellation and issue of New Share Certificates in replacement thereof as described below.

### 2.6 Issue of New Share Certificate

Shareholders who have deposited their old share certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will arrange with CDP to facilitate the exchange of New Share Certificates pursuant to the Proposed Share Consolidation.

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## LETTER TO SHAREHOLDERS

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Shareholders who have not deposited their old share certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Company's Share Transfer Agent, as soon as possible after they have been notified of the Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Company's Share Transfer Agent for the receipt of the physical Old Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Company's Share Transfer Agent or CDP in accordance with the provisions set out above only after the announcement of the Books Closure Date by the Company.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been tendered to the Share Transfer Agent of the Company for cancellation.

Please notify the Share Transfer Agent of the Company, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, if you have lost any of your existing Old Share Certificates or if there is any change in your address from that reflected in the Register of Members of the Company.

Shareholders who hold physical share certificates are reminded that their Old Share Certificates are no longer good for settlement of trading in the Shares on the SGX-ST (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Transfer Agent of the Company. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be prima facie evidence of legal title.

### 2.7 Trading Arrangements for the Consolidated Shares and Odd Lots

Subject to the approval of the Shareholders for the Proposed Share Consolidation at the SGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 Consolidated Shares. Accordingly, two (2) existing Shares of par value US\$0.02 each as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the existing Shares of par value US\$0.02 each will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

The Shares are currently traded in board lots of 100 Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Depositors may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid and at a discount. Depositors who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the SGX-ST's Unit Share Market which, following the Proposed Share Consolidation, would allow trading in odd lots with a minimum size of one (1) Consolidated Share.

The Company will be making an application to the SGX-ST to set up a temporary counter in the ready market to allow Shareholders to trade in board lots of 1 Consolidated Share. This temporary counter will be maintained for a period of two (2) calendar months commencing from the Effective Trading Date (the "**Concessionary Period**"). Thereafter, Shareholders can trade in odd lots of Consolidated Shares on the SGX-ST Unit Share Market.

## LETTER TO SHAREHOLDERS

### 3. FINANCIAL EFFECTS OF THE PROPOSED SHARE CONSOLIDATION

For illustrative purposes only and based on the latest audited financial statements of the Group for FY2014, the financial position of the Company and the Group are set out below:

#### 3.1 Share Capital

The effects of the Proposed Share Consolidation on the issued and paid-up share capital of the Company as at the Latest Practicable Date are as follows:

	Before Proposed Share Consolidation		After Proposed Share Consolidation		After Proposed Share Consolidation and the full exercise of all outstanding Options with use of treasury shares		After Proposed Share Consolidation and the full exercise of all outstanding Options with newly issued Consolidated Shares <sup>(1)</sup>	
	No. of Shares	US\$	No. of Shares	US\$	No. of Shares	US\$	No. of Shares	US\$
Issued and paid-up share capital	504,354,221	10,087,084	252,177,110	10,087,084	252,177,110	10,087,084	261,677,110	10,467,084

**Note:**

- (1) As at the Latest Practicable Date, the Company has an issued and paid up share capital of US\$10,087,084 divided into 504,354,221 Shares comprising 474,914,221 ordinary shares and 29,440,000 treasury shares. Upon share consolidation, the Company's issued and paid-up share capital will be represented by 252,177,110 Consolidated Shares comprising 237,457,110 ordinary shares and 14,720,000 treasury shares. As at the Latest Practicable Date, 19,000,000 Options remained unexercised. Upon share consolidation, if the 19,000,000 Options are exercised and satisfied out of treasury shares, the Company's issued and fully paid up share capital will be US\$10,087,084 divided 252,177,110 Consolidated Shares comprising 246,957,110 ordinary shares and 5,220,000 treasury shares. If the 19,000,000 Options are exercised and satisfied by the Consolidated Shares, the Company's issued and fully paid up share capital will be increased by US\$380,000, being 19,000,000 Options multiplied by the par value before the Proposed Share Consolidation of US\$0.02, to US\$10,467,084, divided into 261,677,110 Consolidated Shares comprising 246,957,110 ordinary shares and 14,720,000 treasury shares.

#### 3.2 Net Tangible Assets Per Share

The effects of the Proposed Share Consolidation on the NTA per Share of the Group based on the audited consolidated statement of financial position of the Group for FY2014, computed based on the assumption that the Proposed Share Consolidation was completed on 31 December 2014, is as follows:

	Before Proposed Share Consolidation	After Proposed Share Consolidation	After Proposed Share Consolidation and the full exercise of all outstanding Options <sup>(2)</sup>
NTA as at 31 December 2014 (US\$'000)	70,177	70,177	71,670
Number of Shares	474,914,221	237,457,110	246,957,110
NTA per Share (US cents)	14.78	29.55 <sup>(1)</sup>	29.02

**Notes:**

- (1) Upon share consolidation, the Company's issued and fully paid up shares will be reduced from 474,914,221 Shares (excluding the treasury shares) to 237,457,110 ordinary shares (excluding treasury shares). The NTA per share will hence be increased by 14.77 US cents to 29.55 US cents, being the NTA of US\$70,177,000 divided by the number of 237,457,110 Consolidated Shares (excluding treasury shares).
- (2) As at the Latest Practicable Date, a total of 19,000,000 Options remained unexercised. If these Options are exercised for 9,500,000 Consolidated Shares, the Company's NTA will be increased by US\$1,493,000, being 19,000,000 Options multiplied by the exercise price of S\$0.108 and converted into US dollar at the prevailing exchange rate, to US\$71,670,000 and the NTA per share will be decreased by 0.53 US cents to 29.02 US cents being the NTA of US\$71,670,000 divided by the number of 246,957,110 Consolidated Shares (excluding treasury shares).

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## LETTER TO SHAREHOLDERS

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### 3.3 Earnings Per Share

The effects of the Proposed Share Consolidation on the EPS of the Group based on the audited consolidated statement of profit or loss statement of the Group, computed based on the assumption that the Proposed Share Consolidation was completed on 31 December 2014, is as follows:

	Before Proposed Share Consolidation	After Proposed Share Consolidation	After Proposed Share Consolidation and the full exercise of all outstanding Options
Profit attributable to Shareholders for FY2014 (US\$'000)	8,370	8,370	8,370
Weighted average number of Shares <sup>(1)</sup>	474,676,785	237,338,392	237,364,419
EPS (US cents)	1.76	3.53	3.53

**Note:**

(1) The Company's profit attributable to Shareholders for FY0214 was US\$8,370,000. Based on the weighted average number of shares of 474,676,785 ordinary shares, the EPS was 1.76 US cents. Upon share consolidation, the weighted average number of shares will be reduced to 237,338,392 Consolidated Shares and the EPS will be increased to 3.53 US cents. As at the Latest Practicable Date, a total of 19,000,000 Options remained unexercised. If these Options are exercised for 9,500,000 Consolidated Shares and the Proposed Share Consolidation is effected at 31 December 2014, the weighted average number of shares will be increased by 26,027 Consolidated Shares to 237,364,419 Consolidated Shares, being 9,500,000 Consolidated Shares divided by 365 days, and the EPS will remain unchanged at 3.53 US cents.

### 3.4 Gearing

The Proposed Share Consolidation will not have any effect on the gearing of the Group.

The proforma analysis above has been prepared solely for illustrative purposes only and does not purport to be indicative or a projection or an estimate of the financial results and financial positions of the Company and the Group immediately after the completion of the Proposed Share Consolidation.

## 4. ADJUSTMENT TO THE OPTIONS RESULTING FROM THE SHARE CONSOLIDATION

4.1 The alteration to the number of Shares as a result of the Proposed Share Consolidation will also constitute an event giving rise to an adjustment to the exercise price of each Option and the number of Options issued pursuant to the rules of the Scheme. The adjustment to the Options will be effective on the date that the Company notifies each participant of the Scheme in writing and delivers to him a statement setting forth the new exercise price thereafter in effect and the adjusted number of Options (the "**Option Effective Date**"). The adjustments to the Options will not result in any material impact on the share capital, NTA per Share and EPS of the Company.

4.2 As at the Latest Practicable Date, 19,000,000 Options remained unexercised. Pursuant to the provisions of the Scheme, the ESOS Committee has determined that:

- (a) the number of unexercised Options will be adjusted on the basis that two (2) Options will be consolidated into one (1) adjusted Option ("**Adjusted Option**");
- (b) the exercise price of each Option will be adjusted from S\$0.108 to S\$0.216; and
- (c) each Adjusted Option shall carry the right to receive one (1) new Consolidated Share,

which shall take effect from the Option Effective Date. The Auditors, Ernst & Young, have confirmed in writing that in their opinion, the adjustments set out in this Section 4.2 is fair and reasonable, as set out in the Auditor's Option Certificate.

## LETTER TO SHAREHOLDERS

4.3 As at the Latest Practicable Date, the Company has not awarded any performance shares under the CDW Share Performance Scheme 2013.

### 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Company as at the Latest Practicable Date, based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, are as follows:

Name	Existing at the Latest Practicable Date <sup>(1)</sup>						
	Direct Interest		Deemed Interest		Total Interest		Options to subscribe for new shares
	Number of Shares	%	Number of Shares	%	Number of Shares	%	
<b>Directors</b>							
Mr. URANO Koichi	2,662,000	0.56	–	–	2,662,000	0.56	2,000,000
Mr. KIYOTA Akihiro	2,152,000	0.45	–	–	2,152,000	0.45	1,000,000
Mr. DY MO Hua Cheung, Philip	2,352,000	0.50	–	–	2,352,000	0.50	1,000,000
Mr. OCHI Shinichi	1,464,000	0.31	–	–	1,464,000	0.31	1,000,000
Mr. CHONG Pheng	–	–	–	–	–	–	500,000
Mr. LAI Shi Hong, Edward	1,064,000	0.22	–	–	1,064,000	0.22	500,000
Mr. MITANI Masatoshi	–	–	–	–	–	–	500,000
Mr. NG Wai Kee	–	–	–	–	–	–	500,000
<b>Substantial Shareholders</b>							
Mikuni Co., Limited	238,311,600	50.18	–	–	238,311,600	50.18	–
Mr. YOSHIMI Kunikazu <sup>(2)</sup>	–	–	238,311,600	50.18	238,311,600	50.18	–

**Notes:**

- (1) As at the Latest Practicable Date, the total number of issued Shares of the Company is 504,354,221, including 29,440,000 treasury shares.
- (2) Mr. Yoshimi Kunikazu is deemed interested in the Shares held by Mikuni Co., Limited by virtue of his 100% shareholdings in Mikuni Co., Limited.

Save as disclosed in this Section 5 of this Circular, none of our Directors or Substantial Shareholders has any interest, direct or indirect, in the above transactions other than their respective shareholdings in the Company.

### 6. THE PROPOSED AMENDMENT TO THE COMPANY'S BYE-LAWS

#### 6.1 Amendment to the Bye-laws

An alteration is proposed to the Bye-laws in connection with the Proposed Share Consolidation.

#### 6.2 Summary of Amendments

Bye-law 7(A) provides that the Shares have a value of US\$0.02 each. When the Proposed Share Consolidation is approved by the Shareholders at the SGM and becomes effective, the value of each Share will be US\$0.04.

The text of the Bye-law which is proposed to be amended is set out as follows. Such proposed amendments are subject to the passing by way of a special resolution by Shareholders at the SGM. The deleted text in the relevant Bye-law has been marked with a strike-through and the inserted text is underlined.

"7(A) The authorised share capital of the Company at the date on which these Bye-Laws come into effect is US\$30,000,000 divided into ~~1,500,000,000~~750,000,000 shares of US\$~~0.20~~0.04 each."

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## LETTER TO SHAREHOLDERS

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### 7. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 7.1 At the SGM held on 28 April 2014, the Company had obtained Shareholders' approval for the renewal of the Share Purchase Mandate (the "**2014 Mandate**"). The authority conferred on the Directors by the 2014 Mandate will expire on the date of the 2015 AGM. Accordingly, the Directors are convening a SGM to be held on 29 April 2015 at 3.15 p.m. (or immediately following the conclusion or adjournment of the 2015 AGM of the Company to be held at 3.00 p.m. on the same day and at the same place) to seek Shareholders' approval for the proposed renewal of the Share Purchase Mandate, which shall be on the same terms as the 2014 Mandate.
- 7.2 The Share Purchase Mandate authorises the Directors to make Shares Purchases from time to time within the Relevant Period, or within any one (1) 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 2014 Mandate) at the price of up to but not exceeding the Maximum Price, which shall:
- (a) in the case of a Market Purchase 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 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
  - (b) in the case of an Off-Market Purchase 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 immediately preceding the date of offer by the Company and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period (the "**Maximum Price**").
- 7.3 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, the Listing Manual, and such other laws and regulations as may for the time being be applicable. The "Guidelines on Shares Purchases" are set out in Annex to this Circular.

### 8. RATIONALE FOR THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 8.1 Short-term speculation may at times cause the market price of the Shares to be depressed below the true value of the Company. The proposed Share Purchase Mandate will provide the Directors with the flexibility and the means to restore investors' confidence and protect existing Shareholders' investments in the Company in a depressed share-price situation through Shares Purchases to enhance the EPS and/or the NAV per Share.
- 8.2 The proposed Share 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, to the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, and as and when the Directors are of the view that this would be in the best interests of the Company and the Shareholders.
- 8.3 The Share Purchase Mandate may be used to purchase existing Shares which may then be held in treasury, and such treasury shares may be consequently be transferred for the purposes of or pursuant to the CDW Employees' Share Option Scheme 2013 or the CDW Share Performance Scheme 2013.
- 8.4 The Directors will only make a Shares Purchase in compliance with all applicable laws and regulations 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, and would not have a material adverse effect on the financial position of the Group as a whole or the listing status of the Company.



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## LETTER TO SHAREHOLDERS

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### 9. SOURCE OF FUNDS

- 9.1 Under the Bermuda Companies Act, a purchase of shares may only be funded (a) out of the capital paid up on the shares to be purchased, (b) out of the funds of the company which would otherwise be available for dividend or distribution, or (c) 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.
- 9.2 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 proposed Share Purchase Mandate on the NAV and EPS 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.

### 10. STATUS OF PURCHASED SHARES UNDER THE PROPOSED SHARE PURCHASE MANDATE

A Share purchased or acquired by the Company is deemed cancelled immediately and the relative certificate 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. Where Shares are cancelled but not held as treasury shares, the issued share capital of the Company shall be diminished by the nominal value of the Shares purchased or acquired by the Company. No reduction is made to the Company's authorised capital. Under the Bermuda Companies 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. The Company is permitted by its Bye-laws to acquire and hold Shares as treasury shares.

### 11. TREASURY SHARES

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

#### 11.1 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.

#### 11.2 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 making of an 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.



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## LETTER TO SHAREHOLDERS

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### 11.3 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.

### 11.4 Purchase or acquisition out of capital or profits

Under the Bermuda Companies 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 and the share premium account, the amount available for the distribution of cash dividends by the Company will not be reduced.

## 12. FINANCIAL AND OTHER IMPACT ARISING FROM THE SHARE PURCHASE MANDATE

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the number of Shares 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 FY2014, are based on the following principal assumptions:

- (a) the acquisition of Shares pursuant to the proposed Share Purchase Mandate had taken place on 1 January 2014 for the purpose of computing the financial effects on the EPS of the Group;
- (b) the acquisition of Shares pursuant to the proposed Share Purchase Mandate had taken place on 1 January 2014 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 proposed Share Purchase Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

### 12.1 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the Company's issued and fully paid up share capital is US\$10,087,084 represented by 504,354,221 Shares (which includes 29,440,000 Shares held as treasury shares). The maximum number of Shares Purchases that can be made within the Relevant Period, or within any one (1) financial year of the Company, whichever is earlier, is up to ten per cent. (10%) of the issued share capital (excluding treasury shares) of the Company (ascertained as at the date of the last AGM of the Company or at the date of the SGM, whichever is the higher).

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## LETTER TO SHAREHOLDERS

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**For illustrative purposes only**, as the Company has 474,914,221 Shares (excluding 29,440,000 treasury shares) as at the Latest Practicable Date, not more than 47,491,400 Shares (representing approximately ten per cent. (10%) of the issued share capital (excluding treasury shares) of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

No Shares are reserved for issue by the Company as at the Latest Practicable Date.

### 12.2 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 proposed Share Purchase Mandate by way of purchases made entirely out of capital and the share premium account of the Company and held as treasury shares;
- (b) acquisition of Shares by the Company pursuant to the proposed Share Purchase Mandate by way of purchases made entirely out of capital and the share premium account of the Company and cancelled;
- (c) acquisition of Shares by the Company pursuant to the proposed 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
- (d) acquisition of Shares by the Company pursuant to the proposed 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 FY2014 are set out below.

**(a) *Purchases made entirely out of capital and the share premium account and held as treasury shares***

*Market Purchases*

**For illustrative purposes only**, assuming that the Maximum Price is S\$0.198 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 47,491,400 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding treasury shares) 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 proposed Share Purchase Mandate, is approximately S\$9,403,000 (equivalent to approximately US\$6,840,000).

## LETTER TO SHAREHOLDERS

On these assumptions, the impact of the Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014 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 2014</u>				
Share Capital	10,087	10,087	10,087	10,087
Share Premium	18,994	18,994	18,994	18,994
Retained Earnings	30,522	30,499	454	317
Shareholders' Equity	70,167	63,304	27,481	20,504
NTA <sup>(1)</sup>	70,177	63,314	27,481	20,504
Current Assets	108,390	101,527	851	851
Current Liabilities	43,225	43,225	229	229
Working Capital	65,165	58,302	622	622
Total Liabilities	48,758	48,758	229	229
Number of Shares ('000) <sup>(2)</sup>	474,914	427,423	474,914	427,423
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	14.78	14.81	5.79	4.80
Basic EPS, US cents <sup>(4)</sup>	1.76	1.96	N/A	N/A
Gearing <sup>(5)</sup>	0.22	0.24	N/A	N/A
Current ratio <sup>(6)</sup>	2.51	2.35	3.72	3.72

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes treasury shares held by the Company since treasury shares are not entitled to any dividends and any right to attend or vote at meetings of the Company as stated in Section 11.2.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2014.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2014 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and obligation under finance leases for the Group and the Company respectively, divided by shareholders' equity.
- (6) Current ratio equals current assets divided by current liabilities.

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## LETTER TO SHAREHOLDERS

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### *Off-Market Purchases*

**For illustrative purposes only**, assuming that the Maximum Price is S\$0.198 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 47,491,400 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding treasury shares) 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 proposed Share Purchase Mandate, is approximately S\$9,403,000 (equivalent to approximately US\$6,840,000).

On these assumptions, the impact of the Off-Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014 will be the same as those presented for the impact of Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014, as stated above under the section entitled "Purchases made entirely out of capital and the share premium account and held as treasury shares".

**(b) *Purchases made entirely out of capital and the share premium account and cancelled***

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 and the share premium account will be reduced by an amount being the consideration for the purchase of the Shares less the aggregate nominal value of such Shares. 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.

### *Market Purchases*

**For illustrative purposes only**, assuming that the Maximum Price is S\$0.198 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 47,491,400 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding treasury shares) 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 proposed Share Purchase Mandate, is approximately S\$9,403,000 (equivalent to approximately US\$6,840,000).

## LETTER TO SHAREHOLDERS

On these assumptions, the impact of the Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014 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 2014</u>				
Share Capital	10,087	9,137	10,087	9,137
Share Premium	18,994	13,104	18,994	13,104
Retained Earnings	30,522	30,499	454	317
Shareholders' Equity	70,167	63,304	27,481	20,504
NTA <sup>(1)</sup>	70,177	63,314	27,481	20,504
Current Assets	108,390	101,527	851	851
Current Liabilities	43,225	43,225	229	229
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Total Liabilities	48,758	48,758	229	229
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Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	14.78	14.81	5.79	4.80
Basic EPS, US cents <sup>(4)</sup>	1.76	1.96	N/A	N/A
Gearing <sup>(5)</sup>	0.22	0.24	N/A	N/A
Current ratio <sup>(6)</sup>	2.51	2.35	3.72	3.72

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes treasury shares held by the Company since treasury shares are not entitled to any dividends and any right to attend or vote at meetings of the Company as stated in Section 11.2.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2014.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2014 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and obligation under finance leases for the Group and the Company respectively, divided by shareholders' equity.
- (6) Current ratio equals current assets divided by current liabilities.

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## LETTER TO SHAREHOLDERS

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### *Off-Market Purchases*

**For illustrative purposes only**, assuming that the Maximum Price is S\$0.198 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 47,491,400 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding treasury shares) 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 proposed Share Purchase Mandate, is approximately S\$9,403,000 (equivalent to approximately US\$6,840,000).

On these assumptions, the impact of the Off-Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014 will be the same as those presented for the impact of Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014, as stated above under the section entitled "Purchases made entirely out of capital and the share premium account and cancelled".

- (c) ***Purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and held as treasury shares***

### *Market Purchases*

**For illustrative purposes only**, assuming that the Maximum Price is S\$0.198 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 47,491,400 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding treasury shares) 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 proposed Share Purchase Mandate, is approximately S\$9,403,000 (equivalent to approximately US\$6,840,000).

## LETTER TO SHAREHOLDERS

On these assumptions, the impact of the Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014 is as follows:

	Group		Company	
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<u>As at 31 December 2014</u>				
Share Capital	10,087	10,087	10,087	10,087
Share Premium	18,994	18,994	18,994	18,994
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Basic EPS, US cents <sup>(4)</sup>	1.76	1.96	N/A	N/A
Gearing <sup>(5)</sup>	0.22	0.24	N/A	N/A
Current ratio <sup>(6)</sup>	2.51	2.35	3.72	3.72

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes treasury shares held by the Company since treasury shares are not entitled to any dividends and any right to attend or vote at meetings of the Company as stated in Section 11.2.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2014.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2014 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and obligation under finance leases for the Group and the Company respectively, divided by shareholders' equity.
- (6) Current ratio equals current assets divided by current liabilities.



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## LETTER TO SHAREHOLDERS

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### *Off-Market Purchases*

**For illustrative purposes only**, assuming that the Maximum Price is S\$0.198 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 47,491,400 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding treasury shares) 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 proposed Share Purchase Mandate, is approximately S\$9,403,000 (equivalent to approximately US\$6,840,000).

On these assumptions, the impact of the Off-Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014 will be the same as those presented for the impact of Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014, as stated above under the section entitled "Purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and held as treasury shares".

**(d) *Purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and cancelled***

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. The retained earnings of the Company will be reduced by an amount being the consideration for the purchase of the Shares less the aggregate nominal value of such Shares. Any deficit in the Company's retained earnings as a consequence of this reduction will be removed by the declaration of dividends by the Subsidiaries to the Company. 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.

### *Market Purchases*

**For illustrative purposes only**, assuming that the Maximum Price is S\$0.198 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 47,491,400 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding treasury shares) 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 proposed Share Purchase Mandate, is approximately S\$9,403,000 (equivalent to approximately US\$6,840,000).

## LETTER TO SHAREHOLDERS

On these assumptions, the impact of the Shares Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014 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 2014</u>				
Share Capital	10,087	9,137	10,087	9,137
Share Premium	18,994	18,994	18,994	18,994
Retained Earnings	30,522	24,609	454	(5,573)
Shareholders' Equity	70,167	63,304	27,481	20,504
NTA <sup>(1)</sup>	70,177	63,314	27,481	20,504
Current Assets	108,390	101,527	851	851
Current Liabilities	43,225	43,225	229	229
Working Capital	65,165	58,302	622	622
Total Liabilities	48,758	48,758	229	229
Number of Shares ('000) <sup>(2)</sup>	474,914	427,423	474,914	427,423
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	14.78	14.81	5.79	4.80
Basic EPS, US cents <sup>(4)</sup>	1.76	1.96	N/A	N/A
Gearing <sup>(5)</sup>	0.22	0.24	N/A	N/A
Current ratio <sup>(6)</sup>	2.51	2.35	3.72	3.72

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes treasury shares held by the Company since treasury shares are not entitled to any dividends and any right to attend or vote at meetings of the Company as stated in Section 11.2.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2014.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2014 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and obligation under finance leases for the Group and the Company respectively, divided by shareholders' equity.
- (6) Current ratio equals current assets divided by current liabilities.

*Off-Market Purchases*

**For illustrative purposes only**, assuming that the Maximum Price is S\$0.198 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 47,491,400 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding treasury shares) 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 proposed Share Purchase Mandate, is approximately S\$9,403,000 (equivalent to approximately US\$6,840,000).

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## LETTER TO SHAREHOLDERS

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On these assumptions, the impact of the Off-Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014 will be the same as those presented for the impact of Market Purchases by the Company undertaken in accordance with the proposed Share Purchase Mandate on the Company's and the Group's audited financial statements for FY2014, as stated above under the section entitled "Purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and cancelled".

- 12.3 As at 31 December 2014, the Group and the Company had cash balances and bank fixed deposits of US\$32,244,000 and US\$36,486,000 respectively. In order to effect a purchase of up to 47,491,400 Shares at the Maximum Price computed at the Latest Practicable Date, whether by way of Market Purchases or Off-Market Purchases, cash reserves by the Company of approximately US\$6,840,000 will be required.
- 12.4 For illustrative purposes, it is assumed that the Company demands the repayment of approximately US\$6,840,000 from its related corporations to finance purchases of its Shares. The Company may, however, when making Shares Purchases pursuant to the proposed Share Purchase Mandate, whether by way of Market Purchases or Off-Market Purchases, use internal resources and/or external borrowings to finance the purchases.
- 12.5 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 and interest income foregone as mentioned in Section 12.7 below. The consolidated NTA per Share as at 31 December 2014 will increase from 14.78 US cents to 14.81 US cents as a result of the reduction in the number of issued Shares after the Shares Purchases.
- 12.6 Assuming that the Shares Purchases had taken place on 1 January 2014, whether by way of Market Purchases or Off-Market Purchases, the consolidated basic EPS of the Group for FY2014 would be increased from the profit of 1.76 US cents per Share to the profit of 1.96 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 0.33% per annum, being the prevailing bank fixed deposits 12-month interest rate in Singapore). The Company's non-current assets will decrease from US\$26,859,000 to US\$19,882,000 as it is assumed that the Company demands the repayment from its related corporations to finance the purchases of its Shares after taking into account interest income foregone on interest bearing loan to a subsidiary (based on an interest rate of 2% per annum) 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\$108,390,000 to US\$101,527,000 after the Shares Purchases.
- 12.7 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 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.
- 12.8 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 FY2014 numbers, and is not necessarily representative of future financial performance.
- 12.9 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.

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## LETTER TO SHAREHOLDERS

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12.10 Shares Purchases by the Company pursuant to the proposed Share 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 proposed Share 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 proposed Share 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.

### 13. 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.

### 14. TAKE-OVER CONSEQUENCES

#### 14.1 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 in accordance with the provisions of the Take-over Code 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.

## LETTER TO SHAREHOLDERS

### 14.2 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	%	
<b><u>Directors</u></b>					
Mr. URANO Koichi	2,662,000	0.56	–	–	2,000,000
Mr. KIYOTA Akihiro	2,152,000	0.45	–	–	1,000,000
Mr. DY MO Hua Cheung, Philip	2,352,000	0.50	–	–	1,000,000
Mr. OCHI Shinichi	1,464,000	0.31	–	–	1,000,000
Mr. CHONG Pheng	–	–	–	–	500,000
Mr. LAI Shi Hong, Edward	1,064,000	0.22	–	–	500,000
Mr. MITANI Masatoshi	–	–	–	–	500,000
Mr. NG Wai Kee	–	–	–	–	500,000
<b><u>Substantial Shareholders</u></b>					
Mikuni Co., Limited	238,311,600	50.18	–	–	–
Mr. YOSHIMI Kunikazu <sup>(1)</sup>	–	–	238,311,600	50.18	–

**Note:**

- (1) Mr. Yoshimi Kunikazu is deemed interested in the Shares held by Mikuni Co., Limited by virtue of his 100% shareholdings in Mikuni Co., Limited.

Mr. Yoshimi Kunikazu, a Substantial Shareholder, owns the entire issued and paid-up share capital of Mikuni Co., Limited, a Substantial Shareholder. Based on the shareholdings of Mikuni Co., Limited and Mr. Yoshimi Kunikazu in the Company (as shown 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 that the Company undertakes Shares Purchases of up to ten per cent. (10%) of the issued share capital (excluding treasury shares) of the Company as permitted by the proposed Share Purchase Mandate, Mikuni Co., Limited 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 other Directors, namely Mr. Urano Koichi, Mr. Kiyota Akihiro, Mr. Dy Mo Hua Cheung, Philip, Mr. Ochi Shinichi and Mr. Lai Shi Hong, Edward, as set out in this Section 14.2 above, in the event that the Company undertakes Shares Purchases of up to ten per cent. (10%) of the issued share capital (excluding treasury shares) of the Company as permitted by the proposed Share Purchase Mandate, none of the resultant shareholdings of our other Directors 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 proposed Share 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.

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## LETTER TO SHAREHOLDERS

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### 14.3 Shares bought by the Company in the previous twelve (12) months

No purchases of Shares have been made by the Company in the twelve (12) months preceding the Latest Practicable Date.

## 15. LISTING STATUS OF THE COMPANY'S SECURITIES

15.1 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. Rule 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 before undertaking any Shares Purchase. Before exercising the proposed Share 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.

15.2 As at the Latest Practicable Date, 226,908,621 Shares constituting approximately 47.78% of a total of 474,914,221 Shares issued by the Company (excluding treasury shares) 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 (1) 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.

## 16. LIMITS ON SHAREHOLDINGS

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

## 17. DIRECTORS' RECOMMENDATIONS

The Directors, having considered the rationale and benefit of the Proposed Share Consolidation, the proposed amendment of the Company's Bye-law and the proposed renewal of the Share Purchase Mandate, are of the view that the foregoing transactions are in the best interests of the Company and recommend that Shareholders vote in favour of Ordinary Resolutions 1 and 3 and Special Resolution 2, to be proposed at the SGM as set out on pages 33 to 35 of this Circular.

Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his professional adviser.

## 18. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages 33 to 35 of this Circular, will be held at Changi Room 1, Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on 29 April 2015 at 3.15 p.m. (or immediately following the conclusion or adjournment of the 2015 AGM 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 pages 33 to 35 of this Circular.

## 19. ACTION TO BE TAKEN BY SHAREHOLDERS

19.1 Shareholders who are unable to attend the SGM and who wish to appoint a proxy to attend and vote at the SGM on their behalf should complete, sign and return the proxy form attached to the notice of SGM 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 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the SGM. The completion and



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## LETTER TO SHAREHOLDERS

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return of the proxy form by such Shareholder will not prevent him from attending the SGM and voting in person in place of his proxy should he subsequently wish to do so. Only Shareholders whose names are entered on the Register of Members of the Company and who are entitled to attend and vote at a general meeting of the Company will receive a proxy form with this Circular. A proxy need not be a Shareholder of the Company.

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 Bye-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 forty-eight (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 who are individuals and whose names are listed in the Depository Register as at forty-eight (48) hours before the time of the SGM may attend and vote at the SGM.

### 20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the foregoing transactions, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### 21. DOCUMENTS AVAILABLE 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 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, during normal business hours from the date of this Circular up to and including the date of the SGM:

- (a) the Memorandum and Bye-laws of the Company;
- (b) the Annual Report of the Company for the financial period ended 31 December 2014; and
- (c) the Auditor's Option Certificate.

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

Dy Mo Hua Cheung, Philip  
Executive Director



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## ANNEX – GUIDELINES ON SHARES PURCHASES

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### 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 AGM of the Company;
  - (ii) the date by which the next AGM 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 Share Purchase Mandate to purchase Shares shall be renewed at the next AGM of the Company.
- (d) When seeking Shareholders' approval for the renewal of the Share 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 SGX-ST, which means a purchase transacted through the SGX-ST's ready market or through one or more duly licensed stock brokers appointed by the Company for the purpose; and/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) Pursuant to the Bermuda Companies Act, 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.

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## ANNEX – GUIDELINES ON SHARES PURCHASES

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### 4. Trading Restrictions

The number of Shares which can be purchased pursuant to the Share 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 AGM of the Company or at the date of the SGM of the Company, whichever is the higher, during the Relevant Period, or within any one (1) 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;
- (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, and
- (vii) whether the shares purchased by the Company will be cancelled or kept as treasury shares.

(b) Offer for the purchase of acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of Shares;

(c) All Offeree Shareholders shall be given a reasonable opportunity to accept any offer made by the Company to purchase their Shares under the Share Purchase Mandate;

(d) The Company may offer to purchase Shares from time to time under the Share 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

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## ANNEX – GUIDELINES ON SHARES PURCHASES

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- (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 100 Shares after the Shares Purchases, in the event that 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 certificate 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. Where Shares are cancelled but not held as treasury shares, the issued share capital of the Company shall be diminished by the nominal value of the Shares purchased or acquired by the Company. No reduction is made to the Company's authorised capital.

### 8. Notification To The SGX-ST

- (a) The Company must notify the SGX-ST of any Shares Purchases as follows:
  - (i) 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
  - (ii) 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.
- (b) 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 (3) quarters of its financial year and/or one (1) month before the announcement of the Company's half year or full year financial statements, as the case may be, and ending on the date of announcement of the relevant results.

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## NOTICE OF SPECIAL GENERAL MEETING

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**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 Changi Room 1, Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on Wednesday, 29 April 2015 at 3.15 p.m.(or immediately following the conclusion or adjournment of the 2015 Annual General Meeting 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 following resolutions:

#### **ORDINARY RESOLUTION 1: THE PROPOSED SHARE CONSOLIDATION**

That:

- (a) with effect from the Effective Trading Date (to be determined by the Directors), every two (2) existing issued and unissued shares of par value US\$0.02 each in the authorised and issued share capital of the Company be consolidated into one (1) share of US\$0.04 in the capital of the Company (the “**Consolidated Share**”) as at the Books Closure Date (to be determined by the Directors);
- (b) all of the Consolidated Shares shall rank pari passu in all respects with each other in the same class and have the rights and privileges and be subject to the restrictions contained in the bye-laws of the Company;
- (c) following the consolidation in paragraph (a) above, the Directors be and are hereby authorised to do all such acts and things as they consider necessary or expedient in connection with the consolidation including but not limited to disregarding fractional entitlements, issuing new share certificates in respect of the Consolidated Shares in issue and making arrangements for the settlement and disposal of fractional entitlements, if any, arising from or in connection therewith and in particular (but without prejudice to the generality of the foregoing), by aggregating any fractional entitlements arising as a result thereof and selling the same for the benefit of the Company in such manner and on such terms as the Directors may think fit; and
- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things including, without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents as he or they may in their absolute discretion consider necessary, desirable or expedient to give full effect to this resolution.

#### **SPECIAL RESOLUTION 2: THE PROPOSED AMENDMENT TO THE BYE-LAWS**

That, contingent upon the passing of Ordinary Resolution 1:

- (a) the bye-laws of the Company (the “**Bye-laws**”) be and are hereby amended by deleting the existing Bye-law 7(A) in its entirety and substituting therefor in the following manner:-

“7(A) The authorised share capital of the Company at the date of which these Bye-Laws come into effect is US\$30,000,000 divided into 750,000,000 shares of US\$0.04 each.”
- (b) the Directors of the Company be and are hereby authorised to complete and do all such acts and things including, without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents as he or they may consider necessary, desirable or expedient to give full effect to this resolution.

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## NOTICE OF SPECIAL GENERAL MEETING

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### ORDINARY RESOLUTION 3: PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

That:

- (a) pursuant to Bye-law 7(B) of the Bye-laws and the Listing Manual, the Directors of the Company be and are hereby authorised to make purchases of or otherwise acquire ordinary shares in the issued share capital of the Company ("**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 (excluding treasury shares) of the Company (ascertained as at the date of the last annual general meeting ("**AGM**") of the Company or at the date of the special general meeting ("**SGM**") of the Company, whichever is the higher) during the Relevant Period, or within any one (1) financial year of the Company, whichever is earlier, at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price, in accordance with all other laws, regulations and rules of the SGX-ST, and this mandate ("**Share Purchase Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next AGM of the Company is held or is required by law to be held, whichever is earlier.

- (b) in this Resolution:

"Relevant Period" means the period commencing from the date of the passing of this Resolution and expiring on the earlier of (i) the date the next AGM of the Company is held or is required by law to be held, or (ii) the date the said mandate is revoked or varied by the Company in general meeting;

"Market Day" means a day on which the SGX-ST is open for trading in securities;

"Market Purchases" means 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" means the maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall:

- (i) in the case of a Market Purchase 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 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
- (ii) in the case of an Off-Market Purchase 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 immediately preceding the date of offer by the Company and deemed to be adjusted for any corporate actions occurring after the relevant 5-day period;

"Off-Market Purchases" means 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 Singapore Companies Act, and an "Off-Market Purchase" shall be construed accordingly; and

"SGX-ST" means the Singapore Exchange Securities Trading Limited; and

- (c) the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

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## NOTICE OF SPECIAL GENERAL MEETING

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By Order of the Board

Lynn Wan Tiew Leng  
Company Secretary

6 April 2015

**Notes:**

1. A shareholder entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote on his behalf. A shareholder who is the holder of two (2) or more shares may appoint not more than two (2) proxies to attend on the same occasion. The Depository may appoint more than two (2) proxies or a corporate representative. 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. Pursuant to the bye-laws of the Company, in respect of the Shares held by the Depository, unless the Depository specifies otherwise by 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 the SGM 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 SGM) supplied by the Depository to the Company and such appointment of proxy shall not require an instrument of proxy or the lodgement of any instrument of proxy. Accordingly, a Depositor who is an individual and 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"). A Depositor which is a corporation and 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 The Central Depository (Pte) Limited ("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 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (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 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (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 shareholdings concerned to be represented by each proxy in the form of proxy.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Special General Meeting (the "Meeting") and/or any adjournment thereof, a Member of the Company or a Depositor, as the case may be (a) consents to the collection, use and disclosure of the Member or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (b) warrants that where the Member or a Depositor discloses the personal data of the Member or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents), the Member or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the Member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member or Depositor's breach of warranty.

