CDW HOLDING LIMITED
(Incorporated in Bermuda)
(the "Company")

PROPOSED ACQUISITION OF SHARES IN A BIOTECH CO., LTD.

1. INTRODUCTION

The board of directors (the "**Board**") of CDW Holding Limited wishes to announce that its wholly-owned subsidiary, Tomoike Industrial (H.K.) Limited (the "**Purchaser**"), has entered into a Share Purchase Agreement (the "**SPA**") with Mr. Yoshimi Koichi (the "**Seller**" and together with the Purchaser, the "**Parties**") on 4 April 2022. Pursuant to the Agreement, the Purchaser shall acquire and purchase from the Seller, a total of two hundred thousand (200,000) shares of the common stock (the "**Subject Shares**"), with the par value of KRW 5,000 per share, representing 23.1% of the total issued and paid-up capital in A Biotech Co., Ltd. (the "**Target Company**") on the terms and conditions of the SPA (the "**Proposed Acquisition**").

As at the date of this announcement, the Purchaser holds an aggregate of 420,000 shares representing 48.5% of the total issued and paid-up capital in the Target Company. Upon Closing (as defined below), the Purchaser shall hold an aggregate of 620,000 shares representing 71.5% of the total issued and paid-up capital in the Target Company, and the Target Company will be an indirect subsidiary of the Company via the Purchaser.

2. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

Under the SPA, the Purchaser and the Seller have agreed to certain principal terms relating to the Proposed Acquisition including, inter alia, the following terms:

2.1. **Consideration.** The total consideration to be paid by the Purchaser to the Seller in relation to the transfer of the Subject Shares shall be KRW 1,840,000,000 (approximately US$1,518,000[1]) (the "**Consideration**"), representing a per share price of KRW 9,200 for the Subject Shares. The Consideration will be satisfied in full by way of cash to be paid by the Purchaser to the Seller.

2.2. **Closing**. The closing of the Proposed Acquisition (the "**Closing**") is expected to take place on 6 April 2022, subject to the condition precedents set out in the Agreement having been satisfied or waived on or before Closing.

2.3. **Conditions Precedent**. Closing of the Proposed Acquisition is subject to the satisfaction or waiver of various conditions precedents customary to a transaction of such nature similar to the Proposed Acquisition, including but not limited to the obtaining of all approvals and consents necessary to consummate the Proposed Acquisition.

3. INTERESTED PERSON TRANSACTION

3.1. Rule 905(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Manual**") provides that if the value of any interested person transactions equals or exceeds 3% of the Group's latest audited net tangible assets, the Company must make an immediate announcement of that transaction. Accordingly, the Board wishes to announce that the Proposed Acquisition would be an interested person transaction within the meaning of Rule 905(1) of the Listing Manual.

[1] Based on the exchange rate of USD$1 : KRW 1,211.9, for illustrative purposes only.

3.2. Details of the Interested Person

The Seller, Mr Yoshimi Koichi, is the son of Mr Yoshimi Kunikazu, a controlling shareholder of the Company[2]. Accordingly, the Seller is an interested person (as an "associate" of a controlling shareholder of the Company) as defined under the Listing Manual, and the Proposed Acquisition would constitute an "interested person transaction" within the meaning of Chapter 9 of the Listing Manual.

The Purchaser had previously entered into a separate share purchase agreement with the Seller on 27 September 2018, pursuant to which the Purchaser had sold and transferred an aggregate of 280,000 shares in the Target Company to the Seller ("**Previous Disposal**") for an aggregate consideration of KRW 2,954,000,000 payable by the Seller ("**Previous Disposal Consideration**"). The transaction was executed in 2018 as i) the life science business was a non-core business of CDW Group, ii) the business of the Target Company was then at a developmental stage and required cash flow to support its R&D efforts, which were paid out of the initial paid-up capital and additional share issue by the Target Company, and iii) to align the interest of the Seller, who has strong network of contacts in the biotechnology industry in Japan and Korea. Shareholders may refer to the Company's previous announcements dated 27 September 2018 and 3 June 2020 for further details of the Previous Disposal. As at the date of this announcement, there is an outstanding amount of KRW 1,612,583,636 (approximately US$ 1,331,000[1]) under the Previous Disposal Consideration payable by the Seller to the Purchaser pursuant to the Previous Disposal, together with accrued interest of US$165,172 (approximately KRW 200,173,000[1]) (such outstanding sums, the "**Outstanding Previous Disposal Consideration**").

3.3. Materiality Thresholds Under Chapter 9

Value of Proposed Acquisition based on the Consideration	KRW 1,840,000,000 (approximately US$1,518,000[1])
Group's latest audited net tangible assets ("**NTA**") (as at 31 December 2020)	US$50,002,000
Value of transaction against the NTA	3.04%

Given that the value of the Proposed Acquisition is of a value of equal to, or more than 3% of the Group's NTA as at 31 December 2020 but does not exceed 5% of the Group's NTA as at 31 December 2020, the Company is required to make an immediate announcement of the Proposed Acquisition but is not required to obtain its shareholders' approval for the Proposed Acquisition.

3.4. Details of the Proposed Acquisition

The Proposed Acquisition is entered into between the Purchaser and the Seller on a willing buyer – willing seller basis on normal commercial terms and the Consideration was negotiated between Parties and arrived at after taking into account, among others, (i) the issue prices of the past share issuances by the Target Company; (ii) the Previous Disposal Consideration and the average per share selling price of the Previous Disposal based on the Previous Disposal Consideration; (iii) the Independent Valuation of the Target Company; (iv) the benchmark valuation of companies which are listed and traded on stock exchanges whose business activities and industries which are broadly comparable to the Target Company, (v) and the cash flow needs of the Target Company.

The Target Company was independently valued by Accounting Corporation Seil One of Korea as the independent valuer to conduct a stock valuation of the Target Company as of 28 February 2022. The valuation is prepared and based on the revenue approach using the

[2] Mr Yoshimi Kunikazu is deemed a controlling shareholder of the Company by virtue of his shareholdings in Mikuni Co., Limited which has a direct 50.82% shareholding in the Company.

discounted cash flow method to have a value of US$23,603,000 (or KRW 28,604,000,000[1]) with a per share valuation of US$27.23 (or KRW 33,005[1]) ("**Independent Valuation**"). The discounted cash flow method is a method used to estimate the value of an investment based on its expected future cash flows. The Independent Valuation was commissioned by the Purchaser as a standalone separate valuation exercise of the Target Company.

The net liability value per share of Target Company was KRW 2,229 as at 31 December 2021 and the losses per share was KRW 1,172 for the financial year ended 31 December 2021.

The Consideration represents a per share selling price of KRW 9,200 for the Subject Shares, which reflects a discount of (a) approximately 72.1% from the per share valuation of KRW 33,005 set out in the Independent Valuation; and (b) approximately 12.8% from the per share selling price of KRW 10,550 based on the Previous Disposal Consideration.

Following the Closing, the Purchaser shall hold an aggregate of 620,000 shares representing 71.5% of the total issued and paid-up capital in the Target Company, and accordingly, the Target Company will be an indirect subsidiary of the Company. The shareholders agreement entered into by and between the Seller and the Purchaser in 2018 will be terminated on Closing.

3.5. Rationale for the Proposed Acquisition

As at the date of this announcement, the Purchaser already holds an existing aggregate of 420,000 shares representing 48.5% of the total issued and paid-up capital in the Target Company.

While the business of the Target Company remains in a high-risk developmental stage and is highly dependent on cash flow to support its research and development efforts and to attract and retain sufficiently qualified researchers to build its intellectual property, the Target Company has progressed substantially since the Previous Disposal and has since managed to build a strong team of researchers and established research partners comprising renowned universities and professors in the bio-technology field. The Target Company has also built up sophisticated experience in mining from its antibody library, which is a substantial antibody library and which can be used to research and create new antibodies – this represents a business model with lower risk as capital can be recycled at a quicker pace by licensing-out these antibodies to other pharmaceutical companies for drug development in return for one-time licensing fees, milestone payments after successful completion of various preclinical stage testing, and earn royalty from sale of the final approved drugs.

Furthermore, the Target Company is a joint owner[3] of the anti-Cripto-1 antibody, which was patented in September 2020 and which is useful for inhibiting self-proliferation of cancer stem cells. The Target Company's recent pre-clinical trials of its anti-Cripto-1 antibody have shown encouraging result in the initial stage of efficacy testing and the Target Company intends to conduct further pre-clinical testing.

In view of the foregoing, the Board is of the view that further investment into the Target Company is an attractive proposition to the Group and it is an appropriate time for the Purchaser to obtain further control of the Target Company.

The Company also notes that the Proposed Acquisition allows the Purchaser to acquire the Subject Shares at a favourable per share valuation of the Target Company (at KRW 9,200 per share) which is at a significant discount to the Target Company's independent per share valuation (at KRW 33,005 per share) set out in the Independent Valuation.

In addition, it is noted that following completion of the Proposed Acquisition, the Seller (Mr. Yoshimi Koichi) will hold 40,000 shares representing approximately 4.6% of the total issued

[3] The Target Company jointly owns the anti-Cripto-1 antibody with Tomoike Bio Limited ("**TBI**") and GSP Enterprise Inc. ("**GSP**"). TBI is a wholly-owned subsidiary of the Company whilst GSP is a 95% owned subsidiary of the Company.

and paid-up capital in the Target Company. The Seller has strong network of contacts in the Biotechnology industry in Japan and Korea and played an instrumental role in the development of the Target Company. Having the Seller remain as a shareholder of the Target Company post-Closing aligns his interests with the Target Company's interests.

3.6. Audit Committee Statement

The Company has appointed CEL Impetus Corporate Finance Pte. Ltd. as independent financial adviser (the "**IFA**") to advise the audit committee of the Company on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

The IFA has given due consideration to the following key factors in arriving at their opinion set out in their letter ("**IFA Letter**"):

(a) Rationale for the Proposed Acquisition;

(b) Consideration for the Sale Shares;

(c) Implied Valuation of Shares;

(d) Comparison with financial ratios of selected listed comparable companies; and

(e) Equity valuation of the Target Company.

Having regard to the considerations set out above and the information made available to the IFA by the Company, the IFA is of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interest of the Company and its minority shareholders.

After considering the opinion of the IFA and based on the considerations above, the audit committee of the Company is of the view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interest of the Company and its minority shareholders.

A copy of the IFA Letter is available for public inspection with details under paragraph 7 of this Announcement.

3.7. Total Value of Interested Person Transactions In The Current Year

The Company is required to aggregate the value of all transactions entered into with the same interested person during the same financial year. In aggregate, the value of all transactions entered into with the Seller, Mr. Yoshimi Koichi (being an associate of Mr. Yoshimi Kunikazu) and the Target Company (being an associate of Mr. Yoshimi Koichi, based on Mr. Yoshimi Koichi's direct shareholding in the Target Company and Mr. Yoshimi Kunikazu's indirect shareholding in the Target Company held through the Company and the Purchaser) for the current financial year ending 31 December 2022 ("**FY2022**") are as follows:

	Up to the date of this announcement US$
Yoshimi Koichi	
- interest accrued	13,606
A Biotech Company Limited	
- interest on financial assistance	18,598
- interest on senior convertible bonds	7,333
Aggregate Value	**39,537**

In addition to the above interested person transactions, when aggregated with the Consideration of the Proposed Acquisition of US$1,518,000[1], the aggregate value of all transactions entered into with the same interested person of the Group amounts to more than 3% but less than 5% of the Group's latest audited NTA. Save for the foregoing, there are no other interested person transactions (including with other interested persons) for the current financial year.

3.8. Relative Figures for the Proposed Acquisition

The relative figures of the Proposed Acquisition computed on the bases set out under Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not Applicable (1)
(b)	The net loss(2) attributable to the assets acquired or disposed of, compared with the Group's net profits(2).	-5.1%(3)
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	3.4%(4)
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable (5)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable (6)

Notes:-

(1) This basis is not applicable to the Proposed Acquisition

(2) Under Rule 1002(3)(b), "net profits" means profit or loss before income tax, minority interests and extraordinary items, and "net loss" means the loss before income tax, minority interests and extraordinary items.

(3) The net profit of the Group for the financial year ended 31 December 2021 ("**FY2021**") is US$4,019,000. The net loss of the Target Company for FY2021 is KRW 1,016 million or approximately US$889,000 (based on the Company's FY2021 unaudited consolidated financial statements). As at the date of this Announcement, the Target Company has a total number of 866,665 issued shares. The net loss attributable to the Subject Shares to be acquired pursuant to the Proposed Acquisition would be US$205,000, being the Target Company's loss of US$889,000 for FY2021 divided by the total of 866,665 shares and then multiplied by the number of Subject Shares i.e. 200,000 shares.

(4) The Company's market capitalisation is approximately S$60,619,000, determined by multiplying the total issued shares of 222,987,408 shares by the 6-month volume weighted average price of the Company's shares of S$0.2714 per share, based on trades done on the SGX-ST on the up to 1 April 2022. The Consideration for the Proposed Acquisition is KRW 1,840,000,000 or approximately S$2,055,000[4].

(5) This basis is not applicable to the Proposed Acquisition as no equity securities will be issued by the Company as consideration.

(6) This basis is not applicable to the Proposed Acquisition.

The Proposed Acquisition involves the acquisition of a loss-making asset by the Group. Accordingly, in accordance with Rule 1010 and paragraph 4.4(a) of Practice Note 10.1 (*Acquisitions and Realisations*), as (i) the relative figure in Rule 1006(c) does not exceed 20%; and (ii) based on the relative figure in Rule 1006(b), the net loss attributable to Subject Shares to be acquired exceeds 5% but does not exceed 10% of the consolidated net profit of the Group, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Listing Manual and is not subject to the approval of the Company's shareholders.

3.9. Financial Information of the Proposed Acquisition

3.9.1. Valuation of the Subject Shares

Based on the Independent Valuation, the value represented by the Subject Shares as at 28 February 2022 is US$27.23 (or KRW 33,005).

3.9.2. Net Losses attributable to the Subject Shares

The net losses attributable to the Subject Shares for FY2021 is KRW 234 million or approximately US$205,000.

[4] Based on the exchange rate of S$0.1117 per 100 unit of Korean Won, for illustrative purposes only.

3.9.3. Financial Effects of the Proposed Acquisition

For illustrative purposes only, the financial effects of the Proposed Acquisition on the Group based on the unaudited financial statements of the Group for the financial year ended 31 December 2021 are as set out below. Please note that the financial effects of the Proposed Acquisition on the Group as set out above are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Acquisition. No representation is made as to the actual financial position and/or results of the Company and the Group after completion of the Proposed Acquisition.

(a) Earnings Per Share ("**EPS**")

The effect of the Proposed Acquisition on the EPS of the Group shown below is based on the most recently completed financial year (i.e. FY2021), assuming that the Proposed Acquisition had been effected at the beginning of FY2021.

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Profit attributable to owners of the Company (US$)	2,350,000	2,145,000
Weighted average number of issued shares	222,244,942	222,244,942
EPS (US cents)	1.06	0.97

(b) Net Tangible Assets ("**NTA**") per share

The effect of the Proposed Acquisition on the NTA per share of the Group shown below is based on the most recently completed financial year (i.e. FY2021), assuming that the Proposed Acquisition is completed on 31 December 2021.

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA (US$)	49,648,000	46,512,000
Number of issued shares	222,987,408	222,987,408
NTA per share (US cents)	22.26	20.86

3.9.4. Source of Funds

The Consideration will be satisfied in full by way of cash to be paid by the Purchaser to the Seller and will be funded by the Purchaser's internal resources.

3.10. Other Information

As previously disclosed in the Company's annual report for FY2019, the Target Company had reported a whistle blowing by one of its staff. The investigation, including fact finding through interviews with personnel and data collection through scanning digital storages, revealed that there was a dispute between the Target Company and a company known as BlackTree Co., Limited ("BlackTree") in which the Target Company's then representative director had an interest as a shareholder and director. The Target Company had invested into BlackTree in proportion to a potential funding round of US$20 million presented by the then representative director. If all the funding were successfully received, the then representative director's equity interest in BlackTree would be reduced to a minimal. However, BlackTree failed to secure the said potential funding under the indicative timetable, and the then representative director remained as the majority shareholder of BlackTree, at the expense of the Target Company paying a high premium for the investment into BlackTree.

The investigation led to the removal of the then representative director upon identification of certain procedural irregularities, and revealed that BlackTree had used the funds invested by the Target Company without its knowledge. Based on the latest information available to the Company, a civil suit has been instituted in the Seoul Western District Court by the Target Company against*, inter alia,* the then representative director and BlackTree. The Target Company had in end-2020 applied for an adjournment of the proceedings pending the resolution of certain related criminal charges brought against the then representative director.

The foregoing is not expected to have a material impact on the Group's financial position.

4. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As previously disclosed by the Company in its announcement dated 3 June 2020, in connection with the Purchaser's agreement to the extension of time for the payment of outstanding sums under the Previous Disposal Consideration owing by the Seller to the Purchaser pursuant to the Previous Disposal, Mr. DY MO Hua Cheung, Philip ("**Philip Dymo**") has on 28 May 2020 given a legal charge on the properties situated at Flat A, 3rd Floor, Marple Court, 41 Broadcast Drive, Kowloon Tong, Kowloon and the car parking space no. 8 (collectively, the "**Property**") securing the Outstanding Previous Disposal Consideration in favour of the Purchaser (the "**Legal Charge**"). As at the date of this announcement, Philip Dymo is the registered proprietor of the Property and is an Executive Director of the Company.

Save as disclosed in this Announcement, none of the Directors or substantial shareholders of the Company or their associates has any interest, directly or indirectly, in the Proposed Acquisition.

5. SERVICE CONTRACTS

There are no directors who are proposed to be appointed to the Board of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

6. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the Company's shares, and where in doubt as to the action they should take, they should consult their financial, tax or other advisers.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection, subject to prior appointment, during normal business hours at the registered office of the Singapore Share Transfer Agent of the Company, Boardroom Corporate Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 for a period of three (3) months from the date of this Announcement:

(a) SPA;
(b) IFA letter dated 4 April 2022; and
(c) Consent letter from the IFA dated 4 April 2022.

BY ORDER OF THE BOARD

YOSHIKAWA Makoto
Chairman and Chief Executive Officer
4 April 2022