

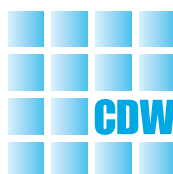
CIRCULAR DATED 6 APRIL 2022

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**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 Shares (as defined in this Circular) in the capital of CDW Holding Limited (the “**Company**” or “**CDW**”) held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Special General Meeting and the accompanying proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with the CDP, you should immediately forward this Circular, together with the Notice of Special General Meeting and the accompanying proxy form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward delivery to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



## **CDW HOLDING LIMITED**

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

### **CIRCULAR TO SHAREHOLDERS**

in relation to

#### **THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE**

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

Last date and time for lodgement of Proxy Form	:	<b>27 April 2022</b> at 3.15 p.m.
Date and time of Special General Meeting	:	The Special General Meeting will be held by way of electronic means on <b>29 April 2022</b> at 3.15 p.m. (or immediately following the conclusion or adjournment of the 2022 Annual General Meeting of the Company to be held at 3.00 p.m. on the same day by way of electronic means)

This Circular has been made available on SGXNet and the Company’s website and may be accessed at the URL <https://cdw-holding.com.hk>.

**In view of safe distancing regulations currently in place and to minimise physical interactions and COVID-19 transmission risks, Shareholders will not be able to attend the SGM in person.** Instead, alternative arrangements have been put in place to allow Shareholders to participate at the SGM by (a) watching the SGM proceedings via “live” audio-visual webcast or listening to the SGM proceedings via “live” audio-only stream; (b) submitting questions in advance of the SGM; and/or (c) voting by proxy at the SGM. Please refer to the Notice of SGM from pages 27 to 29 of this Circular for further information, including the steps to be taken by Shareholders to participate at the SGM. The Notice of SGM may also be accessed at the Company’s website at <https://cdw-holding.com.hk>.

Shareholders should note that the Company may make further changes to its SGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet.

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## DEFINITIONS

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

“AGM”	:	The annual general meeting of the Company
“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
“Bye-laws”	:	The bye-laws of the Company, as amended, varied or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
CDW Employee Share Option Scheme 2018	:	The CDW Employee Share Option Scheme 2018 adopted by the Company at the SGM on 22 June 2018 as the same may be amended from time to time pursuant to the terms and conditions set out therein
CDW Share Performance Scheme 2018	:	The CDW Share Performance Scheme 2018 adopted by the Company at the SGM on 22 June 2018 as the same may be amended from time to time pursuant to the terms and conditions set out therein
“Circular”	:	This circular to Shareholders
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“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
“Council”	:	The Securities Industry Council
“Directors”	:	Directors of the Company as at the date of this Circular
“EPS”	:	Earnings per share
“FY”	:	Financial year ended or ending 31 December
“Group”	:	The Company and its Subsidiaries
“Latest Practicable Date”	:	1 April 2022 being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities

“Market 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
“Maximum Price”	:	<p>The maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall:</p> <p>(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</p> <p>(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</p>
“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 Companies Act, and an “Off-Market Purchase” shall be construed according
“Offeree Shareholders”	:	Shareholders holding Shares at the time of an offer of Shares Purchase, and an “Offeree Shareholder” shall be construed accordingly
“Relevant Period”	:	The period commencing from the date the Share Purchase Mandate is conferred by the Shareholders 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 Shareholders in general meeting
“Required Price”	:	In relation to the offer required to be made under the provisions of Rule 14.1 of the Takeover 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 Takeover 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 Takeover Code

“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore
“SGM”	:	Special general meeting of the Company
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members maintained by the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and to whose Securities Accounts are credited with Shares
“Shares”	:	Shares of US\$0.04 each in the capital of the Company
“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 later) at the price of up to but not exceeding the Maximum Price, in accordance with the terms of this Circular and 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
“Shares Purchases”	:	Off-Market Purchases or Market Purchases undertaken by the Company during the Relevant Period and a “Shares Purchase” shall be construed accordingly
“Subsidiaries”	:	The subsidiaries of a company (as defined in Section 5 of the Companies Act) and “Subsidiary” shall be construed accordingly
“Substantial Shareholders”	:	A person who has an interest in not less than five per cent. (5%) of the total votes attached to all the voting shares of a company
“Takeover Code”	:	The Singapore Code on Take-overs and Mergers
“Treasury Shares”	:	Issued Shares of the Company which were purchased by the Company and held by the Company in accordance with the applicable provisions of the Companies Act and the Bermuda Companies Act
“S\$”	:	Singapore dollars
“US\$” or “US cents”	:	US dollars and cents respectively
“%” or “per cent.”	:	Per centum or percentage

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

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively by Section 81SF of the SFA.

The term “subsidiary holdings” shall have the meaning given to it in the Listing Manual.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the SFA, the Companies Act, or any statutory modifications thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the SFA, the Companies Act, or statutory modifications as the case may be.

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

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\$1.3566 (rounded to 4 decimal places), obtained from the Monetary Authority of Singapore on 1 April 2022.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in certain tables in this Circular might not add up to the figures shown as totals.

Ho and Wee LLP has been appointed as the legal advisor to the Company as to Singapore law in relation to the Proposed Adoption of the Share Purchase Mandate.

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

**Directors:**

Mr. YOSHIKAWA Makoto (Chairman and Chief Executive Officer)  
Mr. KATO Tomonori (Executive Director and Chief Operating Officer)  
Mr. DY MO Hua Cheung, Philip (Executive Director and Chief Financial Officer)  
Mr. CHONG Pheng (Lead Independent Director)  
Mr. LAI Shi Hong, Edward (Independent Director)  
Mr. MITANI Masatoshi (Independent Director)  
Mr. CHIA Seng Hee (Independent Director)

**Registered Office:**

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM10  
Bermuda

6 April 2022

To: The Shareholders of CDW Holding Limited

Dear Shareholder,

**1. INTRODUCTION**

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval for the same at the SGM to be held by way of electronic means on 29 April 2022 for the proposed adoption of the Share Purchase Mandate. The notice of the SGM is set out from pages 25 to 27 of this Circular.

**2. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE**

**2.1 BACKGROUND**

2.1.1 The Directors are convening a SGM to be held by means of electronic means on 29 April 2022 at 3.15 p.m. (or immediately following the conclusion or adjournment of the 2022 Annual General Meeting of the Company to be held at 3.00 p.m. on the same day by way of electronic means) to seek Shareholders' approval for the proposed adoption of the Share Purchase Mandate.

2.1.2 If approved by the Shareholders at the SGM, the Share Purchase Mandate will take effect from the date of the SGM and continue in force until the date of the next annual general meeting of the Company or such date as the next annual general meeting is required by law to be held (whichever is earlier), unless prior hereto, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied by the Company in general meeting of the Company.

2.1.3 The Share Purchase Mandate authorises the Directors to make Shares Purchases of up to ten per cent. (10%) of the issued Shares of the Company 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**").

Any Shares which are held on Treasury Shares or subsidiary holdings (as defined in the Listing Manual of the SGX-ST) shall be disregarded for the purposes of computing the 10% limit.

- 2.1.4 Any purchase of Shares by the Company will have to be made in accordance with, and in the manner prescribed by, the Bermuda Companies Act, 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.

## **2.2 RATIONALE FOR THE SHARE PURCHASE MANDATE**

- 2.2.1 The proposed Share Purchase Mandate will provide the Directors with the flexibility to undertake purchases or acquisitions of its issued Shares during the period when the Share Purchase Mandate is in force. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company’s capital with a view of enhancing the EPS and/or the NAV per Share.
- 2.2.2 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.
- 2.2.3 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 Employee Share Option Scheme 2018 or the CDW Share Performance Scheme 2018.
- 2.2.4 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.

## **2.3 SOURCE OF FUNDS**

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. The Company intends to use internal resources and/or external borrowings to finance Shares Purchases.

## **2.4 STATUS OF PURCHASED OR ACQUIRED SHARES UNDER THE PROPOSED SHARE PURCHASE MANDATE**

A Share purchased or acquired by the Company is deemed cancelled immediately and the 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 number and 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 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.



## 2.5 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:

### 2.5.1 Maximum holdings

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

### 2.5.2 Voting and other rights

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

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distributions of assets to members on a winding up) may be made, to the Company in respect of Treasury Shares. However, the 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.

### 2.5.3 Disposal and cancellation

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

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

### 2.5.4 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.

## 2.6 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 FY2021, 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 2021 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 been effected on 31 December 2021 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.

#### 2.6.1 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 252,177,110 Shares (which includes 29,189,702 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 and subsidiary holdings) 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 later).

**For illustrative purposes only**, as the Company has 222,987,408 Shares (excluding 29,189,702 Treasury Shares) as at the Latest Practicable Date, not more than 22,298,700 Shares (representing approximately ten per cent. (10%) of the issued share capital (excluding Treasury Shares and subsidiary holdings) 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 and there are no subsidiary holdings as at the Latest Practicable Date.

#### 2.6.2 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 FY2021 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\$0.28 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 22,298,700 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) 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\$6,244,000 (equivalent to approximately US\$4,603,000).

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 FY2021 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 2021</u>				
Share Capital	10,087	10,087	10,087	10,087
Share Premium	18,994	18,994	18,994	18,994
Retained Earnings	24,544	24,532	2,274	2,182
Shareholders' Equity	50,685	46,070	26,922	22,227
NTA <sup>(1)</sup>	49,648	45,033	26,922	22,227
Current Assets	96,692	92,077	114	114
Current Liabilities	53,938	53,938	150	150
Working Capital	42,754	38,139	(36)	(36)
Total Liabilities	58,124	58,124	150	150
Number of Shares ('000) <sup>(2)</sup>	222,987	200,688	222,987	200,688
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	22.26	22.44	12.07	11.08
Basic EPS, US cents <sup>(4)</sup>	1.06	1.17	N/A	N/A
Gearing <sup>(5)</sup>	0.27	0.29	N/A	N/A
Current Ratio <sup>(6)</sup>	1.79	1.71	0.76	0.76

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes Treasury Shares and subsidiary holdings. In any event, Treasury Shares and subsidiary holdings are not entitled to any dividends and any right to attend or vote at meetings of the Company.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2021.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2021 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and lease liabilities 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\$0.28 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 22,298,700 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) 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\$6,244,000 (equivalent to approximately US\$4,603,000).

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 FY2021 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 FY2021, as stated above under the paragraph 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\$0.28 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 22,298,700 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) 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\$6,244,000 (equivalent to approximately US\$4,603,000).

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 FY2021 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 2021</u>				
Share Capital	10,087	9,915	10,087	9,195
Share Premium	18,994	15,283	18,994	15,283
Retained Earnings	24,544	24,532	2,274	2,182
Shareholders' Equity	50,685	46,070	26,922	22,227
NTA <sup>(1)</sup>	49,648	45,033	26,922	22,227
Current Assets	96,692	92,077	114	114
Current Liabilities	53,938	53,938	150	150
Working Capital	42,754	38,139	(36)	(36)
Total Liabilities	58,124	58,124	150	150
Number of Share ('000) <sup>(2)</sup>	222,987	200,688	222,987	200,688
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	22.26	22.44	12.07	11.08
Basic EPS, US cents <sup>(4)</sup>	1.06	1.17	N/A	N/A
Gearing <sup>(5)</sup>	0.27	0.29	N/A	N/A
Current Ratio <sup>(6)</sup>	1.79	1.71	0.76	0.76

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes Treasury Shares and subsidiary holdings. In any event, Treasury Shares are not entitled to any dividends and any right to attend or vote at meetings of the Company.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2021.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2021 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and lease liabilities 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\$0.28 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 22,298,700 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) 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\$6,244,000 (equivalent to approximately US\$4,603,000).

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 FY2021 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 FY2021, as stated above under the paragraph 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\$0.28 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 22,298,700 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) 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\$6,244,000 (equivalent to approximately US\$4,603,000).

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 FY2021 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 2021</u>				
Share Capital	10,087	10,087	10,087	10,087
Share Premium	18,994	18,994	18,994	18,994
Retained Earnings	24,544	24,532	2,274	2,182
Shareholders' Equity	50,685	46,070	26,922	22,227
NTA <sup>(1)</sup>	49,648	45,033	26,922	22,227
Current Assets	96,692	92,077	114	114
Current Liabilities	53,938	53,938	150	150
Working Capital	42,754	38,139	(36)	(36)
Total Liabilities	58,124	58,124	150	150
Number of Shares ('000) <sup>(2)</sup>	222,987	200,688	222,987	200,688
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	22.26	22.44	12.07	11.08
Basic EPS, US cents <sup>(4)</sup>	1.06	1.17	N/A	N/A
Gearing <sup>(5)</sup>	0.27	0.29	N/A	N/A
Current Ratio <sup>(6)</sup>	1.79	1.71	0.76	0.76

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes Treasury Shares and subsidiary holdings. In any event, Treasury Shares and subsidiary holdings are not entitled to any dividends and any right to attend or vote at meetings of the Company.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2021.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2021 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and lease liabilities 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\$0.28 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 22,298,700 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) 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\$6,244,000 (equivalent to approximately US\$4,603,000).

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 FY2021 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 FY2021, as stated above under the paragraph 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\$0.28 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 22,298,700 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) 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\$6,244,000 (equivalent to approximately US\$4,603,000).

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 FY2021 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 2021</u>				
Share Capital	10,087	10,087	10,087	10,087
Share Premium	18,994	18,994	18,994	18,994
Retained Earnings	24,544	19,929	2,274	(2,421)
Shareholders' Equity	50,685	46,070	26,922	22,227
NTA <sup>(1)</sup>	49,648	45,033	26,922	22,227
Current Assets	96,692	92,077	114	114
Current Liabilities	53,938	53,938	150	150
Working Capital	42,754	38,139	(36)	(36)
Total Liabilities	58,124	58,124	150	150
Number of Shares ('000) <sup>(2)</sup>	222,987	200,688	222,987	200,688
Financial Ratios:				
NTA per Share, US cents <sup>(3)</sup>	22.26	22.44	12.07	11.08
Basic EPS, US cents <sup>(4)</sup>	1.06	1.17	N/A	N/A
Gearing <sup>(5)</sup>	0.27	0.29	N/A	N/A
Current Ratio <sup>(6)</sup>	1.79	1.71	0.76	0.76

**Notes:**

- (1) NTA equals total assets less the sum of total liabilities and intangible assets.
- (2) Number of Shares outstanding excludes Treasury Shares and subsidiary holdings. In any event, Treasury Shares and subsidiary holdings are not entitled to any dividends and any right to attend or vote at meetings of the Company.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2021.
- (4) Basic EPS equals to profit attributable to shareholders divided by the weighted average number of Shares outstanding during the year ended 31 December 2021 before and after the Shares Purchases.
- (5) Gearing equals total bank borrowings and lease liabilities 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\$0.28 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 22,298,700 Shares (representing approximately ten per cent. (10%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings) 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\$6,244,000 (equivalent to approximately US\$4,603,000).



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 FY2021 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 FY2021, as stated above under the paragraph entitled "Purchases made entirely out of funds of the Company which would otherwise be available for dividends or distributions and cancelled".

- 2.6.3 As at 31 December 2021, the Group had cash balances and bank fixed deposits of US\$21,814,000 and US\$5,434,000 respectively. In order to effect a purchase of up to 22,298,700 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\$4,603,000 will be required.
- 2.6.4 For illustrative purposes, it is assumed that the Company demands the repayment of approximately US\$4,603,000 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.
- 2.6.5 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 paragraph 2.6.6 below. The consolidated NTA per Share as at 31 December 2021 will increase from 22.26 US cents to 22.44 US cents as a result of the reduction in the number of issued Shares after the Shares Purchases.
- 2.6.6 Assuming that the Shares Purchases had taken place on 1 January 2021, whether by way of Market Purchases or Off-Market Purchases, the consolidated basic EPS of the Group for FY2021 would be increased from the profit of 1.06 US cents per Share to the profit of 1.17 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 0.25% per annum, being the prevailing bank fixed deposits 12-month interest rate in Singapore). The Company's non-current assets will decrease from US\$26,958,000 to US\$22,263,000 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\$96,692,000 to US\$92,077,000 after the Shares Purchases.
- 2.6.7 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.
- 2.6.8 **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 FY2021 numbers, and is not necessarily representative of future financial performance.**
- 2.6.9 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.

2.6.10 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.

## 2.7 TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

## 2.8 TAKEOVER CONSEQUENCES

### 2.8.1 Requirement to make General Offer

Under Appendix 2 of the Takeover 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 Takeover Code. Rule 14.1 of the Takeover 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 Takeover 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 Takeover 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.

## 2.8.2 Application of the Takeover 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. YOSHIKAWA Makoto	500,000	0.22	–	–	1,500,000
Mr. KATO Tomonori	–	–	–	–	1,000,000
Mr. DY MO Hua Cheung, Philip	1,176,000	0.53	–	–	1,000,000
Mr. CHONG Pheng	–	–	–	–	250,000
Mr. LAI Shi Hong, Edward	300,000	0.13	–	–	250,000
Mr. MITANI Masatoshi	–	–	–	–	250,000
Mr. CHIA Seng Hee	500	–	–	–	–
<b><u>Substantial Shareholders</u></b>					
Mikuni Co., Limited	113,325,750	50.82	–	–	–
Mr. YOSHIMI Kunikazu <sup>(1)</sup>	–	–	113,325,750	50.82	–

**Note:**

- (1) Mr. Yoshimi Kunikazu is deemed interested in the Shares held by Mikuni Co., Limited by virtue of his 100% shareholding 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 the Company undertakes Shares Purchases of up to ten per cent. (10%) of the issued share capital (excluding Treasury Shares and subsidiary holdings) of the Company as permitted by the proposed Share Purchase Mandate, Mikuni Co., Limited and Mr. Yoshimi Kunikazu are not required under the Takeover Code to make a mandatory offer.

Based on the respective individual shareholdings of our other Directors, namely Mr. Yoshikawa Makoto, Mr. Dy Mo Hua Cheung, Philip, Mr. Lai Shi Hong, Edward and Mr. Chia Seng Hee as set out in this paragraph 2.8.2 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 and subsidiary holdings) 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 Takeover 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 takeover offer under the Takeover 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.

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

The Company did not make any purchases of shares in the twelve (12) months preceding the Latest Practicable Date.

## **2.9 LISTING STATUS OF THE COMPANY'S SECURITIES**

- 2.9.1 The Directors will ensure that the Shares Purchases will not have any effect on the listing of the Company's securities including the Shares listed on the SGX-ST. 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. "Public" is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons. 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.
- 2.9.2 As at the Latest Practicable Date, 107,685,158 Shares constituting approximately 48.29% of a total of 222,987,408 Shares issued by the Company (excluding Treasury Shares and subsidiary holdings) 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 in accordance with Share Purchase Mandate 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.

## **2.10 LIMITS ON SHAREHOLDINGS**

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

## **3. SPECIAL GENERAL MEETING**

The SGM, notice of which is set out on pages 25 to 27 of this Circular, will be held by way of electronic means on 29 April 2022 at 3.15 p.m. 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 25 to 27 of this Circular.

In view of the safe distancing regulations to hold physical meetings and to minimise physical interactions and COVID-19 transmission risks, the Company will conduct its SGM by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements have been put in place relating to attendance at the SGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast), submission of questions to the Chairman of the SGM in advance of the SGM, addressing of substantial and relevant questions at the SGM and voting by appointing the Chairman of the SGM as proxy at the SGM. Please refer to the Notes to the Notice of SGM for further details on the alternative arrangements that have been put in place to allow Shareholders to participate in the SGM.

Shareholders should note that due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the SGM at short notice. Shareholders are advised to check the Company's announcements on SGXNet for the latest updates on the status of the SGM.

**4. ACTION TO BE TAKEN BY SHAREHOLDERS AND DEPOSITORS**

In light of the COVID-19 situation and the prescribed guidelines issued by the Ministry of Health and legislative amendments and regulations under the COVID-19 (Temporary Measures) Act 2020, the shareholders will not be able to attend the SGM in person. The proceedings of this SGM will be broadcasted 'live' through an audio-and-video webcast and an audio-only feed. Shareholders will also not be able to vote through the 'live' webcast.

Arrangements relating to the participation of the SGM via electronic means by (a) watching the SGM via 'live' audio-and-video webcast; (b) submission of questions in advance; and (c) voting by proxy at the SGM, are set out in the Notice of SGM from pages 25 to 27 of this Circular.

**5. DIRECTORS' RECOMMENDATION**

The Directors, having considered the rationale, the terms and benefit of the proposed adoption of the Share Purchase Mandate, are of the view that the proposed adoption of the Share Purchase Mandate, is in the best interests of the Company and recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed adoption of the Share Purchase Mandate, as set out in the notice of SGM.

**6. 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 proposed adoption of the Share Purchase Mandate, 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.

**7. DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Singapore Share Transfer Agent of the Company, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 during normal business hours from the date of this Circular up to and including the date of the SGM:

- (a) the Bye-laws of the Company;
- (b) the annual report of the Company for the financial year ended 31 December 2021;

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

Dy Mo Hua Cheung, Philip  
Executive Director

## ANNEX

### GUIDELINES ON SHARE PURCHASES

#### 1. Shareholders' Approval

- (a) Purchases of Shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.
- (b) A general mandate authorising the purchase of Shares by the Company representing up to ten per cent. (10%) of the Company's issued ordinary share capital will expire on the earlier of:
  - (i) the conclusion of the next 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.

Treasury shares and subsidiary holdings (as defined in the Listing Manual) shall be disregarded for the purposes of computing the 10% limit.

- (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 under previous share purchase mandates, 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 Companies 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.

#### 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 later, 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 takeover 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 or 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
- (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 Purchases During Price Sensitive Developments**

- (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 one (1) month before the announcement of the Company's half year and full year financial statements, as the case may be, and ending on the date of announcement of the relevant results.



## NOTICE OF SPECIAL GENERAL MEETING

This Notice has been made available on SGXNet and the Company's website at <https://cdw-holding.com.hk>.

**NOTICE IS HEREBY GIVEN** that a Special General Meeting of CDW Holding Limited (the "**Company**") will be held by electronic means on Friday, 29 April 2022 at 3.15 p.m. (or immediately following the conclusion or adjournment of the 2022 Annual General Meeting of the Company to be held at 3.00 p.m. on the same day by way of electronic means) for the purpose of considering and, if thought fit, passing (with or without modification) the following ordinary resolution:

### Resolution 1

#### Ordinary Resolution: Proposed Adoption of the Share Purchase Mandate

That:

- (a) Pursuant to Bye-law 7(B) of the Company's bye-laws and the Listing Manual of the SGX-ST, 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 and subsidiary holdings) 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 later) 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.

By Order of the Board

Cho Form Po  
Company Secretary

Singapore  
6 April 2022

**Notes:**

1. The SGM is being convened, and will be held by way of electronic means pursuant to the Covid-19 (Temporary Measures) Act 2020 and the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. This Notice of SGM will also be sent to shareholders by way of electronic means via publication on the Company's website at <https://cdw-holding.com.hk> and the SGXNet.
3. The proceedings of this SGM will be broadcasted “live” through an audio-and-video webcast and an audio-only feed. Persons who hold shares and wish to follow the proceedings must pre-register at <https://bit.ly/CDW2022AGMandSGM> no later than 3.15 p.m. on 27 April 2022. Following verification, an email containing instructions on how to join the “live” broadcast will be sent to authenticated persons by 3.15 p.m. on 28 April 2022.

Shareholders are advised to also check the junk folder of their emails in case the emails are directed there instead of the inbox. Shareholders who registered but do not receive an email response by 3.15 p.m. on 28 April 2022 may contact our Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at +65 6536 5355 (Mondays to Fridays, excluding Public Holidays, from 9.00 a.m. to 5.30 p.m.) or by email at [srs.teamc@boardroomlimited.com](mailto:srs.teamc@boardroomlimited.com).

4. In light of the current Covid-19 measures in Singapore and the Company's effort to minimise physical interactions and risk of community spread of Covid-19, shareholders will **not** be able to attend the SGM in person. Shareholders will also not be able to vote online on the resolution tabled for approval at the SGM.
5. A shareholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote in his/her/its stead at the SGM if such shareholder wishes to exercise his/her/its voting rights at the SGM. The Chairman of the SGM, as a proxy, need not be a shareholder of the Company.
6. The accompanying proxy form for the SGM may be accessed at the Company's website at <https://cdw-holding.com.hk> and the SGXNet. In addition, where a shareholder (whether individual or corporate) appoints the Chairman of the SGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the SGM as proxy for that resolution will be treated as invalid.
7. If a shareholder of the Company, being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) wishes to appoint the Chairman of the SGM as his/her/its proxy to attend, speak and vote in his/her/its stead at the SGM, he/she/it must be shown to have shares entered against his/her/its name in the Depository Register, as certified by The Central Depository (Pte) Limited, at least forty-eight (48) hours before the time of the Meeting.

8. The Proxy Form must be submitted in the following manner:
- (a) if submitted by post, be deposited at the Registered Office of the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be sent via email to [srs.teamc@boardroomlimited.com](mailto:srs.teamc@boardroomlimited.com);

in either case, by 3.15 p.m. on 27 April 2022, being not less than forty-eight (48) hours before the time appointed for the SGM.

A shareholder who wishes to submit the Proxy Form which can be downloaded, must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed Proxy Forms by post, shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.**

9. Shareholders and Investors will not be able to ask questions "live" during the "live" broadcast of the SGM. All shareholders may submit questions relating to the business of the SGM no later than 3.15 p.m. on 21 April 2022:
- (a) via the pre-registration website at <https://bit.ly/CDW2022AGMandSGM> ;
  - (b) by email to [srs.teamc@boardroomlimited.com](mailto:srs.teamc@boardroomlimited.com); or
  - (c) by post to the Registered Office of the Company's Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

When sending in your questions, please also provide us with the following details:

- (a) your full name;
- (b) your address;
- (c) number of shares held; and
- (d) the manner in which you hold shares (e.g., via CDP, CPF or SRS).

We will endeavour to address all substantial and relevant questions received from shareholders before 3.15 p.m. on 25 April 2022 by publishing our responses before the SGM on the Company's website at <https://cdw-holding.com.hk> and the SGXNet.

10. This Circular is published on the Company's website at <https://cdw-holding.com.hk> and the SGXNet.
11. Any reference to a time of day is made by reference to Singapore time.

**Personal data privacy:**

By submitting an instrument appointing a Chairman to as proxy to attend, speak and vote at the SGM and/or any adjournment thereof, a shareholder of the Company or a Depositor, as the case may be (a) consents to the collection, use and disclosure of the shareholder's 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 the appointment of Chairman as proxy for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (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.