

## CDW HOLDING LIMITED

### ANNOUNCEMENT

The Board of Directors (the "Board") of CDW Holding Limited (the "Company") would like to announce that during the course of audit of the Group for the financial year ended 31 December 2010, the auditors discovered several bank transfers of RMB30 million each between the Company's subsidiary, Crystal Display Components (Shanghai) Co., Limited ("SHCD") and a company, known as Ichiban Real Estate Development (Suzhou) Co., Ltd ("Ichiban") during the period from January to December 2010 (the "Bank Transfers").

Upon receipt of the report on these unusual Bank Transfers prepared by the management, the Board had taken the following immediate actions:

1. To secure assets and accounting records of SHCD;
2. To commission a PRC lawyer to conduct a fact finding exercise and review of what had happened; and
3. To commission internal auditors to review to determine if there is any similar transactions.

The Company found out that

1. As at the date hereof, there is no evidence that SHCD has suffered any loss as a result of any of the Bank Transfers.
2. After the last Bank Transfers of RMB 30 Million was received back by SHCD on 3rd December 2010 from Ichiban, no further Bank Transfers had been made.
3. The Bank Transfers had been made by various senior executives of SHCD (the "Relevant SHCD Executives") without the knowledge of the Board. The PRC lawyer opined that the acts of the Relevant SHCD Executives have not constituted the criminal offence of misappropriation of funds under PRC laws.

The auditors are currently in the process of performing additional procedures relating to this matter and unable to conclude whether there is any adjustment is to be made.

The Audit Committee will be conducting further investigations on the matter and reviews on the financial controls of the Group. Amongst other things, the Audit Committee will establish if the group internal control processes and procedures should be further enhanced to ensure that no such unusual or similar unauthorized transactions will recur in the future. The Board will exert control over fund in excess of the daily working capital need in the subsidiary companies. The Relevant SHCD Executives have been suspended from authorizing all cash and cheque payments and treasury and financial functions with immediate effect. The Board will decide on the appropriate disciplinary actions to be taken as regards the Relevant SHCD Executives after the conclusion of the Audit Committee's investigations and reviews.

The outcome of the above additional procedures and investigations may have an effect on the unaudited financial statements of the Group and the Company for the year ended 31 December 2010 that have been announced today. The Board will make further announcement as appropriate.

On the basis of all existing facts presented to and the advices which the Company has to date received from the relevant professional advisers, nothing has been brought to the attention of the Board to indicate there is at present any basis to make any material adjustments to the Company's unaudited consolidated financial statements for the year ended 31 December 2010.

BY ORDER OF THE BOARD