

Independent Auditors' Report

To the Members of CDW Holding Limited

We have audited the accompanying financial statements of CDW Holding Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 December 2010, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 38 to 95.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion on the financial position and changes in equity of the Group and the Company and financial performance of the Group and our qualified audit opinion on the cash flows of the Group.

Basis for Qualified Opinion on the Cash Flows of the Group

During the course of the audit, bank transfers in the aggregate amount of RMB210 million (equivalent to approximately US\$30,995,000) made by a subsidiary of the Group to a company in the Peoples' Republic of China during the year ended 31 December 2010 were identified. As described in Note 3 to the financial statements, following an investigation process the Group has disclosed these bank transfers as "Amounts paid for investment purposes (unauthorised)" and "Repayment of amounts paid for investment purposes (unauthorised)" in the consolidated statement of cash flows. However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves either as to the purpose for which the bank transfers were made or as to whether they are fairly described in the consolidated statement of cash flows and the related Note 3 to the financial statements.

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Qualified Opinion on the Cash Flows of the Group

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion on the Cash Flows of the Group paragraph, the consolidated statement of cash flows of the Group gives a true and fair view of the cash flows of the Group for the year ended 31 December 2010 in accordance with International Financial Reporting Standards.

Opinion on the Financial Position and Changes in Equity of the Group and the Company and Financial Performance of the Group

In our opinion, the statements of financial position and statements of changes in equity of the Group and the Company, the consolidated income statement and the consolidated statement of comprehensive income of the Group give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010, and of the financial performance of the Group and changes in equity of the Group and the Company for the year ended in accordance with International Financial Reporting Standards.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
4 May 2011

Notes to Financial Statements

Year ended 31 December 2010

3. AMOUNTS PAID FOR INVESTMENT PURPOSES (UNAUTHORISED)/REPAYMENTS OF AMOUNTS PAID FOR INVESTMENT PURPOSES (UNAUTHORISED)

During the course of audit of the financial statements of the Group for the year ended 31 December 2010, the auditors discovered several bank transfers of RMB30 million each, amounting to RMB210 million (equivalent to approximately US\$31 million) in aggregate, that had taken place during the period from January 2010 to December 2010 between one of the Company's subsidiaries, Crystal Display Components (Shanghai) Co., Limited ("CD Shanghai") and a company in the People's Republic of China known as Ichiban Real Estate Development (Suzhou) Co., Limited ("Ichiban") (the "Bank Transfers"). The Bank Transfers had been made by various senior executives of CD Shanghai (the "Relevant Executives of CD Shanghai") without the knowledge of the Board.

The Board had taken the following actions in relation to the Bank Transfers. The Board had:

- (a) secured the assets and accounting records of CD Shanghai;
- (b) appointed a PRC lawyer to carry out a fact finding exercise and review of what had happened;
- (c) directed the Group's internal auditors to conduct a review of all financial and banking transactions of CD Shanghai and other subsidiary companies within the Group to identify if there were any other unauthorised banking or financial transactions by any subsidiary company within the Group during the year ended 31 December 2010;
- (d) obtained and examined the relevant statements, memorandum and/or confirmations of the Relevant Executives of CD Shanghai; and
- (e) appointed a professional certified fraud examiner to review and comment on the adequacy and appropriateness of the work carried out by the Company and its Audit Committee ("AC").

Pursuant to an announcement dated 21 April 2011, the Company announced that the AC had concluded investigations on the matter.

Upon the conclusion of the investigations, the Board reached the opinion that:

- (i) there is no evidence indicating there to be any fraud committed by any persons in the Company, or that any of the directors of the Company or the senior executives of the Group had benefited from the Bank Transfers;
- (ii) it is unable to ascertain the actual purpose of the Bank Transfers as the Company does not have any legal right to access the books and financial records of Ichiban. Based on, among others, the statements given by the Relevant Executives of CD Shanghai to the PRC lawyer, the confirmations of the Relevant Executives of CD Shanghai, the PRC lawyer's reports, in particular, their finding that there is insufficient evidence that the Relevant Executives of CD Shanghai had misappropriated the funds for personal uses, the consistent stand of the Relevant Executives of CD Shanghai throughout, and that the AC has not been able to uncover any other evidence to show that the Relevant Executives of CD Shanghai had utilised the monies in the Bank Transfers for any other purpose, the Board is of the view that, in the absence of any contradictory evidence that would cast reasonable doubt on the veracity of the statements of the Relevant Executives of CD Shanghai, the Bank Transfers were probably deposit payments which were intended for investment purposes;

Notes to Financial Statements

Year ended 31 December 2010

3. AMOUNTS PAID FOR INVESTMENT PURPOSES (UNAUTHORISED)/REPAYMENTS OF AMOUNTS PAID FOR INVESTMENT PURPOSES (UNAUTHORISED) (cont'd)

- (iii) as all monies that had been remitted by CD Shanghai to Ichiban have been fully repaid to CD Shanghai, there is no financial impact or loss suffered by the Group other than the loss of interest income which is unlikely to be material. The Board is of the view that unless and until the Board obtains any credible evidence which merits a legal claim against any one and more of the Relevant Executives of CD Shanghai and any third party arising from the Bank Transfers, no recovery action will be taken by the Company or CD Shanghai against the Relevant Executives of CD Shanghai or any third party;
- (iv) in enabling the Bank Transfers to take place, the Relevant Executives of CD Shanghai had acted outside the scope of their powers and duties. The Board has taken disciplinary actions against the Relevant Executives of CD Shanghai who have breached and failed to act with proper authorisation;
- (v) save for the Bank Transfers, there are no other unauthorised banking or financial transactions by any other Group company, or by CD Shanghai to any other parties;
- (vi) in view of the written confirmations by each of the directors of the Company and the other senior executives of the Group that they do not have any relationship with Ichiban, there is no evidence of any relationship between Ichiban and any directors of the Company or senior executives of the Group. One of the senior executives of the Group (the "Relevant Senior Executive"), has informed the Board that his brother is the sole director of the parent company of Ichiban and his brother has provided a written confirmation to the Board that the Relevant Senior Executive has no interest in such parent company and that he is financially independent of the Relevant Senior Executive. The Relevant Senior Executive has also maintained in his statements to the PRC lawyer that he had no knowledge of the Bank Transfers. Save for the Relevant Executives of CD Shanghai, none of the other senior executives of the Group are involved in the Bank Transfers.

To ensure that no such unusual or similar unauthorised transactions will recur in the future, the Company has enhanced the Group's internal control processes and procedures around the transfer of funds in cash and bank balances.

Based on the Board's assessment of the Bank Transfers as stated above, the Company has reached the conclusion that the Bank Transfers were probably deposit payments for investment purposes that were paid by and have been repaid to a subsidiary of the Company, CD Shanghai, during the financial year ended 31 December 2010, and that no adjustment is required to be made in the consolidated financial statements of the Group.