

Moores Rowland Mazars

摩斯倫·馬賽會計師事務所

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To the shareholders of
Forefront International Holdings Limited
(incorporated in the Cayman Islands with limited liability)

致福方國際控股有限公司
全體股東
(於開曼群島註冊成立之有限公司)

We were engaged to audit the consolidated financial statements of Forefront International Holdings Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 43 to 94, which comprise the consolidated and company balance sheets as at 31 December 2006, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory Notes.

吾等受委聘審核列載於第43至94頁福方國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括二零零六年十二月三十一日之綜合及公司資產負債表,以及截至該日止年度之綜合損益表、綜合股東權益變動報表及綜合現金流量表連同主要會計政策摘要及其他附註解釋。

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

董事就財務報表之責任

貴公司之董事負責根據由香港會計師公會頒布之香港財務報告準則及香港公司條例之披露規定,編制及真實而公平地列報該等財務報表。此責任包括設計、實施及維持與編製及真實而公平地列報財務報表相關的內部監控,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇及應用適當之會計政策,及按情況下作出合理之會計估計。

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the limitation in the scope of our work as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

As more fully explained in Note 2 to the financial statements, due to the absence of accounting information about the Taiwan Subsidiaries for the year ended 31 December 2006 that the directors consider as reliable, the consolidated financial statements have excluded the results for the year and financial positions as at 31 December 2006 of the Taiwan Subsidiaries. The Group's share of the net assets of these entities, based on audited financial information as at 31 December 2003 and after recognising an impairment loss of HK\$100,880,000 in 2005 has been included in the consolidated balance sheet as interests in unconsolidated subsidiaries held for sale in the amount of HK\$48,174,000. We are unable to determine whether the impairment loss on these subsidiaries has been correctly made and the interests in unconsolidated subsidiaries held for sale are fairly stated.

Whilst the directors consider that the exclusion of these subsidiaries is the best way of presenting the Group's financial position and the results for the year in the circumstances, the reason for the exclusion is not one of the reasons for exclusion provided for in HKAS 27 "Consolidated and separate financial statements" issued by the Hong Kong Institute of Certified Public Accountants and, in this respect, the financial statements are not in compliance with HKAS 27.

核數師之責任

吾等之責任是根據吾等之審核，對該等財務報表提出意見，並根據吾等協定之委聘條款，僅向全體股東報告吾等之意見。吾等概不就本報告內容向任何其他人士承擔或負上任何責任。除吾等工作範圍之下述限制外，吾等乃根據香港會計師公會頒布之香港審計準則進行審核工作。該準則要求吾等遵守道德規範，並策劃及執行審核，以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。惟因保留意見之基準段落內所述之事項，吾等不能取得足夠及適當之審計憑證作為提供審核意見之基礎。

保留意見之基準

誠如財務報表附註2所詳述，由於台灣附屬公司欠缺董事認為可靠其截至二零零六年十二月三十一日止年度之會計資料，故綜合財務報表並無計入台灣附屬公司截至二零零六年十二月三十一日止年度及截至該日止之業績及財務狀況。根據 貴集團截至二零零三年十二月三十一日之經審核財務資料，貴集團分佔此等實體之資產淨值在二零零五年確認一筆為數100,880,000港元之減值虧損後合共為48,174,000港元，該筆款項已於綜合資產負債表中計入列作持作出售於未綜合附屬公司之權益。吾等無法釐定該等附屬公司之減值虧損是否正確及其持作出售於未綜合附屬公司之權益是否公平地列示。

儘管董事認為不將此等附屬公司綜合入帳是在此情況下呈報 貴集團本年度財務狀況及業績之最佳做法，惟不將此等附屬公司綜合入帳之原因，並非香港會計師公會頒佈之香港會計準則第27號「綜合及獨立財務報表」規定之原因之一，就此而言，財務報表並不符合香港會計準則第27號。

Independent Auditors' Report

獨立核數師報告

Disclaimer of opinion: disclaimer on view given by consolidated financial statements

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 December 2006 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance.

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2006 in accordance with Hong Kong Financial Reporting Standards.

Moores Rowland Mazars
Chartered Accountants
Certified Public Accountants
Hong Kong, 16 April 2007

保留意見：對綜合財務報表所作意見之免責聲明

鑑於保留意見一段內所述事宜之重要性，對於根據香港財務報告準則及香港公司條例之披露規定綜合財務報表是否真實兼公平地顯示集團於二零零六年十二月三十一日的財務狀況及集團截至該日止年度之虧損及現金流量，吾等未能訂定意見。

吾等認為，公司之財務報表根據香港財務報告準則真實兼公平地顯示公司於二零零六年十二月三十一日的財務狀況。

摩斯倫•馬賽會計師事務所
特許會計師
執業會計師
香港，二零零七年四月十六日