



To the members

CCT Tech International Limited

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 32 to 73 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants, except that the scope of our work was limited as explained below.

An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. However, the evidence available to us was limited as follows:

1. SCOPE LIMITATIONS ARISING FROM THE PRIOR YEAR'S AUDIT SCOPE LIMITATIONS AFFECTING OPENING BALANCES

- (a) The opinion on the financial statements of CCT Technology Holdings Limited ("CCT Technology") (formerly known as Wireless InterNetworks Limited), the former holding company of the listed group of Wireless InterNetworks Limited and now a wholly-owned subsidiary of the Company, and its subsidiaries (collectively referred as to the "CCT Technology Group") for the year ended 30 September 2001, which was given by another firm of accountants, was disclaimed in view of the persuasive nature of certain limitations on the scope of their audit. These primarily resulted from the inability of the former directors of CCT Technology to locate sufficient documentary information as further explained in note 5 to the financial statements. Any adjustments that might have been found to be necessary to the opening net liabilities of the Group would have a consequential effect on the net profit of the Group for the fifteen month period ended 31 December 2002.

2. SCOPE LIMITATIONS ARISING FROM CURRENT PERIOD AUDIT

- (b) As further explained in note 5 to the financial statements, the consolidated profit and loss account for the period from 1 October 2001 to 31 December 2002 has consolidated the profit and loss accounts of CCT Technology Group from 1 October 2001 to 17 May 2002 based on the unaudited management accounts of CCT Technology Group passed to the current directors from the then receivers and former directors on 17 May 2002. We have not performed an audit of the management accounts and, accordingly, we have not obtained the audit evidence necessary to satisfy ourselves as to the nature, completeness, appropriateness, classification and disclosure in respect of the transactions undertaken by CCT Technology Group for the period from 1 October 2001 to 17 May 2002, as included in the consolidated financial statements.

Any adjustment to the amounts so consolidated in respect of profit and loss accounts of CCT Technology Group from 1 October 2001 to 17 May 2002 would have a corresponding effect on the amounts reported in the consolidated profit and loss account for the fifteen months ended 31 December 2002 and on the amount reported as the net gain attributable to the group restructuring. Similarly, for the same reasons, we have been unable to satisfy ourselves that other amounts and the relevant disclosures reflected in the consolidated statement of changes in equity, consolidated cash flow statement and segment information, turnover, loss from operating activities, finance costs and related party transactions disclosed under notes 8, 9, 10, 12 and 41, respectively, are fairly stated.

- (c) As further explained in note 5 to the financial statements, S. Meggatel Sdn. Bhd., a 70%-owned subsidiary of the Group in Malaysia, had incomplete books and records for the period from 1 October 2001 to 31 December 2002. We have been unable to perform an audit of the amounts consolidated in respect of this subsidiary company and, accordingly, we have not obtained the audit evidence necessary to satisfy ourselves as to the nature, completeness, appropriateness, classification and disclosure in respect of the transactions undertaken by S. Meggatel Sdn. Bhd. for the period from 1 October 2001 to 31 December 2002 and the related balances as at 31 December 2002, including the corresponding minority interests recorded in the consolidated profit and loss account for the period from 1 October 2001 to 31 December 2002 and consolidated balance sheet as at 31 December 2002, as included in the consolidated financial statements.

Any adjustments that might have been found to be necessary in respect of the matters set out above would have a consequential impact on the Group's net profit and cash flows for the period from 1 October 2001 to 31 December 2002, the Group's net assets position as at 31 December 2002, and on the classification of such items and their related disclosures in the financial statements.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

2. SCOPE LIMITATIONS ARISING FROM CURRENT PERIOD AUDIT (continued)

Disclaimer of opinion

Because of the significance of the possible effects of the limitations of scope in respect of the evidence made available to us as set out in sections 1 and 2 in the basis of opinion of this report above, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2002 and of the profit and cash flows of the Group for the fifteen month period from 1 October 2001 to 31 December 2002 and as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

In respect alone of the limitations on our work as set out in the basis of opinion section of this report:

- (i) we have not obtained all the information and explanations that we consider necessary for the purpose of our audit; and
- (ii) we were unable to determine whether proper books and records had been kept.

Without further qualifying our opinion, we draw attention to the fact that because the auditors disclaimed their opinion on the financial statements of CCT Technology Group for the year ended 30 September 2001, the comparative amounts shown in these financial statements may not be comparable with the amounts for the current period.

Ernst & Young
Certified Public Accountants

Hong Kong
15 April 2003