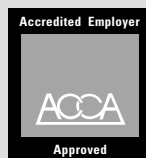


# Report of the Auditors

## Albert Lam & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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### To the members

#### renren Holdings Limited

*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 13 to 48 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 solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

### Basis of Opinion

We conduct our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public 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 judgments 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 because included in the Group's non-current assets as at 31 December 2004 are promissory notes receivable amounting to HK\$5,322,000 after provision for doubtful debt of HK\$5,322,000 has been made. These promissory notes receivable, with maturity on 31 March 2006, are unsecured. We were not provided with adequate evidence to ensure whether the issuer is able to settle these promissory notes on their maturity and the provision is adequate.

Any adjustment that might have been found to be necessary in respect of the matter set out above would have a consequential significant effect on the net assets of the Group as at 31 December 2004 and the loss for the year then ended.

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.

### Qualified Opinion arising from limitation of audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence relating to the matter set out in the basis of opinion section of this report, in our opinion 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 2004 and of the loss and cash flows of the Group for the year then ended and 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, we have not obtained all the information and explanations that we consider necessary for the purpose of our audit.

#### Albert Lam & Co.

*Certified Public Accountants*

Hong Kong, 25 April 2005

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