

Auditors' Report to the Directors of the Company

REPORT OF THE AUDITORS TO THE DIRECTORS OF DYNASTY FINE WINES GROUP LIMITED

(incorporated in Cayman Islands with limited liability)

We have audited the proforma accounts on pages 71 to 95 which have been prepared in accordance with the accounting policies set out in note 2 which comply with accounting principles generally accepted in Hong Kong, except that the effects of the group reorganisation entered into after the balance sheet date have been accounted for using merger accounting. This accounting treatment is not in accordance with Statement of Standard Accounting Practice 2.127 "Accounting for group reconstructions" ("SSAP 27") issued by the Hong Kong Institute of Certified Public Accountants. This is because, although the Group's Reorganisation meets the definition of a group reconstruction under SSAP 27, the SSAP specifies that accounts should not incorporate a combination which occurs after the balance sheet date being reported on.

Respective responsibilities of directors and auditors

The Company's directors are responsible for the preparation of the proforma accounts which are properly prepared in accordance with the accounting policies set out in note 2 to the proforma accounts. In preparing such proforma accounts 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 proforma accounts 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 contents of this report.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the proforma accounts, and of whether the accounting policies are appropriate to the circumstances of the Group (the Company and its subsidiaries), consistently applied and adequately disclosed.

We planned and performed 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 proforma accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the proforma accounts. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the proforma accounts for the year ended 31 December 2004 have been properly prepared in accordance with accounting policies set out in note 2 to the proforma accounts and the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 April 2005