

**CCIF****CCIF CPA LIMITED**37/F Hennessy Centre  
500 Hennessy Road  
Causeway Bay Hong Kong**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
DYNAMIC GLOBAL HOLDINGS LIMITED***(Incorporated in Bermuda with Limited Liability)*

We have audited the financial statements on pages 19 to 76 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 financial statements and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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 Hong Kong Standards on Auditing 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 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 made available to us was limited. As stated in prior year's auditors' report, we disclaimed our opinion on the Group's financial statements for the year ended 31 December 2004 because of the significance of the possible effects of the limitation of scope and limitation in evidence made available to us in connection with the issue on whether any impairment loss was required to be made against the carrying value of interest in an associate namely Golden Yield Enterprises Limited ("Golden Yield"). The carrying value included approximately HK\$59 million of goodwill arising upon acquisition of Golden Yield. Due to the significance of the possible effects arising from prior year's limitation of scope and limitation in evidence which had a consequential effect on the opening balance in the financial statements of the Group and the Company for the year ended 31 December 2005, we have disclaimed our opinion.

An adjustment for full impairment loss on the carrying value of the interest in associate has been made in the financial statements for the year ended 31 December 2005.

**FUNDAMENTAL UNCERTAINTY RELATING TO GOING CONCERN BASIS OF THE GROUP**

In forming our opinion, we have considered the net liability position of approximately HK\$17 million of the Group at 31 December 2005 and the adequacy of the disclosures made in note 2 to the financial statements concerning the adoption of going concern basis on which the financial statements have been prepared. The Group's financial statements have been prepared on a going concern basis, the validity of which is dependent upon the successful outcome of the measures undertaken as described in note 2 to the financial statements to ensure that adequate cash resources are available to the Group to enable it to meet its future working capital and financial requirements. The financial statements do not include any adjustments that would result from the failure of such measures. We consider that appropriate disclosures have been made. However, in view of the extent of the fundamental uncertainty relating to whether the going concern is appropriate, we have disclaimed our opinion.

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.

**DISCLAIMER OF OPINION**

Because of the significance of the fundamental uncertainty relating to the going concern basis and the scope limitation affecting the opening balance in connection with the carrying value of the interest in an associate, 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 2005 and of the loss and cash flows of the Group for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**CCIF CPA Limited**

*Certified Public Accountants*

Hong Kong, 19 April 2006

**Delores Teh**

*Practising Certificate Number P03207*