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TO THE MEMBERS OF ASIA TELEMEDIA LIMITED

亞洲電信媒體有限公司

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Asia TeleMedia Limited (the "Company") and its subsidiaries (together as the "Group") on pages 22 to 69 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Companies Ordinance requires the directors to prepare 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 141 of the Companies Ordinance, 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 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 circumstances of the Company and the Group, 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 financial statements are free from material misstatement. However, the evidence available to us was limited as below:

We were unable to obtain sufficient evidence to assess whether any impairment should be recognized in respect of an amount equivalent to HK\$14,864,080 included among the other receivables, deposits and prepayments as at 31st December, 2005.

Auditors' Report

Any adjustments of the above amount, would affect the net liabilities of the Group and the Company as at 31st December, 2005 and its 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.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosure made in note 2 to the financial statements which explains that the directors are taking active steps to improve the liquidity position of the Group. Included in the consolidated balance sheet at 31st December, 2005 is a loan payable of HK\$58,083,993 and an accrued interest of HK\$6,820,902 owed to a third party, classified as current liabilities (herein collectively referred to as "Total Amount Payable"). The Company is in process of negotiation with the third party for the settlement of Total Amount Payable. In addition, the Company is in process of exploring with potential investors the injection into the Group of income generating investments in the People's Republic of China. Provided that the repayment arrangement for the Total Amount Payable can be agreed upon and provided that income generating investments are injected into the Group, the directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments that would result from a failure to obtain such future funding. We consider that appropriate disclosures have been made. However, in view of the extent of the uncertainty relating to the repayment arrangement for the Total Amount Payable and the injection into the Group of income generating investments, we disclaim our opinion in respect of the fundamental uncertainty relating to the going concern basis.

DISCLAIMER OF OPINION

Because of the significance of the possible effect of the fundamental uncertainty relating to the going concern basis and the limitations of audit scope as mentioned 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 31st December, 2005 or of its loss and cash flows of the Group for the year then ended and as to whether the financial statements have been properly prepared in accordance with the Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25th April, 2006