To the shareholders of
The Grande Holdings Limited
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of The Grande Holdings Limited (the "Company") and its subsidiaries (the "Group") from pages 33 to 94 which have been prepared in accordance with accounting principles generally accepted in Hong Kong, other than as set out below.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for the preparation of consolidated financial statements which give a true and fair view. In preparing consolidated 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. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the circumstances of 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 consolidated financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENTS

As explained in note 17 to the consolidated financial statements, the Group's investment in the non-interest bearing convertible bonds issued by Sansui Electric Co., Ltd. ("SEC"), a company listed on the Tokyo Stock Exchange, was classified as investments available-for-sale and measured at cost as at 1 January 2005 and the option element to convert these bonds into ordinary shares was not separated and measured at fair value in accordance with Hong Kong Accounting Standard 39, "Financial Instruments: Recognition and Measurement". The non-interest bearing convertible bonds were converted into ordinary shares of SEC in October and November 2005 and resulted in an increase in ownership interest in SEC from 27.54% to 49.51%. The cost of the non-interest bearing convertible bonds was regarded as the cost on initial measurement of the additional ownership interest in SEC and was classified as an investments held for trading as described below. As explained more fully in notes 25 and 17 to the consolidated financial statements, the Group has accounted for 48.78% of its ownership interest in SEC as an investments held for trading and 0.73% of its ownership interest in SEC as investment available-for-sale. The Group has recognised a gain of HK$64 million from changes in the fair value in the investment held for trading. In our opinion, the entire investment in SEC should be equity accounted in accordance with Hong Kong Accounting Standard 28, "Investments in Associates". Accordingly, the investment should be classified as an investment in an associate and initially recognised at cost with the carrying amount increased or decreased to recognise the Group's share of the profit or loss of SEC and the Group's proportionate share of changes in SEC's equity that have not been recognised in its profit or loss. It is not practicable to quantify the effect of the above item on the financial position of the Group as at 31 December 2005 and on the Group's profit for the year then ended as the directors of the Company have confirmed that SEC has not prepared consolidated financial statements in accordance with Hong Kong Financial Reporting Standards.

Except for the effects of accounting for the matter described above, in our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2005 and of the profit 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.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
8 May 2006