

Independent Auditor's Report

TO THE SHAREHOLDERS OF EPI (HOLDINGS) LIMITED (FORMERLY GREAT WALL CYBERTECH LIMITED)

(Incorporated in Bermuda with limited liability)

We have audited the financial statements of EPI (Holdings) Limited (the "Company") set out on pages 36 to 74, which comprise the balance sheets of the Company and the Group as at 31 December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except as described in the basis for qualified opinion paragraphs, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

BASIS FOR QUALIFIED OPINION

1. Our report on the financial statements of the Company and of the Group for the year ended 31 December 2005 was disclaimed in view of the pervasive nature of the limitations on the scope of our audit resulting from insufficiency of supporting documentation and explanations. Accordingly, we were unable to form an opinion as to whether the net liabilities of the Company and of the Group as at 31 December 2005 and the results and cash flows and the related disclosures in the notes to the financial statements of the Company and of the Group for the year ended 31 December 2005 were fairly stated.

In summary the scope limitations included the following:

- i. Incomplete books and records of certain subsidiaries within the Group;
- ii. Insufficient information which prevented us from satisfying as to whether the amount of other payables of approximately HK\$293,807,000, including the liabilities under indemnities given to subsidiaries not consolidated of approximately HK\$291,130,000, included in the Group's balance sheet was free from material misstatement; and
- iii. Failure to consolidate certain subsidiaries within the Group into the financial statements in accordance with the Hong Kong Accounting Standard 27 issued by the HKICPA.

Any adjustments found to be necessary to the opening balances as at 1 January 2006 may affect the net liabilities of the Company and of the Group as at 31 December 2005 and the results and cash flows and the related disclosures in the notes to the financial statements of the Company and of the Group for the year ended 31 December 2006. Also the comparative figures in respect of the net liabilities of the Company and of the Group as at 31 December 2005 and the results and cash flows and the related disclosure in the notes to the financial statements of the Company and of the Group for the year ended 31 December 2005 may not be comparable with the figures for the current year.

2. As set out in note 3 and note 9 to the financial statements, the Directors have been unable to obtain sufficient documentary evidence to satisfy themselves as to whether the gain on debts waived of approximately HK\$277,844,000 arising from the Debt Restructuring carried out by the Company during the year and included in the profit of the Group for the year ended 31 December 2006 was fairly stated.
3. The Directors are unable to satisfy themselves as to the completeness of recording of transactions entered into by the Group and of the completeness of disclosure of finance lease obligations, segment information, pledged of assets, commitments and contingent liabilities for the period from 1 January 2006 to 20 September 2006 in the financial statements. Furthermore, the Directors are unable to determine the completeness of related party transactions, employee benefits and emoluments, and taxation and deferred taxation incurred for the period from 1 January 2006 to 20 September 2006.
4. Certain subsidiaries were disposed of according to the Debt Restructuring scheme carried out by the Company during the year. The Directors were unable to obtain sufficient information to include the results of these subsidiaries up to the date of their disposals in the consolidated financial statements. Accordingly the Directors were unable to satisfy themselves as to the truth and fairness of the gain on disposal of these subsidiaries so included in the financial statements.

Independent Auditor's Report

There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to the matters set out in the above paragraphs. Any adjustments to the above figures may affect the profit and cash flows and related notes to the financial statements of the Group for the year ended 31 December 2006.

QUALIFIED OPINION ARISING FROM LIMITATION OF AUDIT SCOPE

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the matters set out in the basis for qualified opinion paragraphs, 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 2006 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

TING HO KWAN & CHAN

Certified Public Accountants (practising)

Hong Kong

23 April 2007