

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF SINOCOM SOFTWARE GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Sinocom Software Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 29 to 72, which comprise the consolidated balance sheet 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 CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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 the consolidated 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 consolidated financial statements based on our audit 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. Except as described in the basis for qualified opinion paragraph, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Basis for qualified opinion

Included in the consolidated balance sheet as at 31 December 2006 is the investment cost of a subsidiary of HK\$8,015,000 and amount due from this subsidiary of HK\$121,000. As explained in note 18 to the consolidated financial statements, the directors of the Company are in the process of reviewing and finalising the accounting records of the subsidiary prepared subsequent to its acquisition in August 2006 and accordingly, in the absence of reliable accounting records for the subsidiary, they are unable to account for the acquisition using the purchase method of accounting and consolidate the post-acquisition results and financial position of the subsidiary in accordance with Hong Kong Financial Reporting Standard ("HKFRS") 3 "Business Combinations" and Hong Kong Accounting Standard 27 "Consolidated and Separate Financial Statements" issued by the HKICPA. In addition, information in relation to the acquisition has not been presented in the consolidated financial statements as required by HKFRS 3 and HKAS 7 "Cash Flow Statements". It is not practicable to quantify the effects of the departure from these requirements.

Qualified opinion arising from limitation of audit scope and disagreement about the extent of disclosure

In our opinion, except for the effect on the consolidated financial statements of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the state of affairs 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.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong
23 April 2007