

**Auditors' Report to the Shareholders of****Winfoong International Limited***(Incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 27 to 96 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 statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. 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 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. 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.

致榮豐國際有限公司股東之會計師報告*(於百慕達註冊成立之有限公司)*

本核數師(以下簡稱「我們」)已完成審核載於第27頁至第96頁按照香港公認會計原則編製之財務報表。

董事及核數師之個別責任

編製真實與公平之財務報表乃 貴公司董事之責任。在編製該等真實及公平之財務報表時，董事必須選擇及貫徹採用合適之會計政策。我們的責任是根據審核工作之結果，對該等財務報表作出獨立之意見，並向股東作出報告。

意見之基礎

我們是按照香港會計師公會頒佈之核數準則實行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等財務報表時所作之重大估計和判斷、所釐定之會計政策是否適合 貴公司及 貴集團之具體情況，及是否貫徹應用並足夠地披露該等會計政策。

我們在策劃和進行審核工作時，均以取得一切我們認為必需之資料及解釋為目標，使我們能獲得充分之憑證，就該等財務報表是否存有重要錯誤陳述，作出合理之確定。在表達意見時，我們亦已衡量該等財務報表所載之資料在整體上是否足夠。我們相信，我們之審核工作已為下列意見建立了合理之基礎。



Opinion

In our opinion 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 2003 and of the loss 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.

PKF

Certified Public Accountants

Hong Kong
27 February 2004

意見

我們認為，該等財務報表均真實與公平地反映 貴公司及 貴集團於二零零三年十二月三十一日之財務狀況及 貴集團截至該日止年度之虧損和現金流量，並已按照香港公司條例之披露要求而妥善編製。

梁學濂會計師事務所
執業會計師

香港
二零零四年二月二十七日