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TO THE SHAREHOLDERS OF
WANG SING INTERNATIONAL HOLDINGS GROUP LIMITED
旺城國際控股集團有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Wang Sing International Holdings Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 29 to 74, 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. 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.

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

As explained in note 21 to the consolidated financial statements, the Group has accounted for its share of loss of an associate for the year ended 31 December 2006 amounting to approximately HK$2,563,000 and has recognised full impairment losses in respect of goodwill arising from acquisition of the associate amounting to approximately HK$9,798,000 and full allowances relating to balances due from the associate amounting to approximately HK$39,713,000 based on the unaudited management accounts of the associate. However, we were unable to perform any procedures to assess whether these management accounts are free of material misstatement. As a result, we did not have sufficient information to assess whether the impairment loss recognised in respect of goodwill included in the interest in the associate, the allowance for the loan to the associate, the allowance for trade receivables from the associate, the allowance for dividend receivable from the associate and share of loss of the associate are fairly stated in the consolidated income statement for the year ended 31 December 2006. There were no other satisfactory audit procedures that we could adopt to satisfy ourselves that the amounts referred to above were free from material misstatement. Any adjustments found to be necessary would increase the Group's net assets as at 31 December 2006 and reduce the Group's loss for the year then ended.

Qualified opinion arising from limitation of 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 obtain sufficient information concerning the matters as 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 loss 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

24 April 2007