

Moores Rowland Mazars

摩斯倫 · 馬賽會計師事務所

Chartered Accountants
Certified Public Accountants

To the shareholders of Forefront International Holdings Limited
(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 41 to 98 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 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 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.

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, except that the scope of our work was limited as explained below.

An audit includes 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.

致福方國際控股有限公司全體股東
(於開曼群島註冊成立之有限公司)

本核數師已完成審核刊於第41至第98頁之財務報表，除下述者外，該等財務報表乃按照香港公認會計原則編製。

董事及核數師各自之責任

貴公司董事須負責編製真實兼公平之財務報表。在編製該等真實兼公平之財務報表時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

本核數師之責任是根據審核之結果，對該等財務報表作出獨立意見，並僅向全體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容，向任何人士負上或承擔任何責任。

意見之基礎

本核數師乃按照香港會計師公會頒佈之核數準則進行審核工作，惟本核數師之工作受到下文所述限制。

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及判斷、會計政策是否適合貴公司及貴集團之具體情況，及有否貫徹運用並作出足夠之披露。

We planned 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. However, the evidence available to us was limited as follows:

Limitation of scope relating to Taiwan Subsidiaries

As more fully explained in note 2 to the financial statements, due to the absence of accounting information about the Taiwan Subsidiaries for the year ended 31 December 2005 that the directors consider as reliable, the consolidated financial statements have excluded the results for the year and financial positions as at 31 December 2005 of the Taiwan Subsidiaries, which form a significant part of the Group. The Group's share of the net assets of these entities, based on audited financial information as at 31 December 2003 and after recognising an impairment loss of HK\$100,880,000 in the income statement for the current year, has been included in the consolidated balance sheet as interests in unconsolidated subsidiaries in the amount of HK\$48,174,000. We are unable to determine whether the impairment loss on these subsidiaries has been correctly made and the interests in unconsolidated subsidiaries are fairly stated.

Whilst the directors consider that the exclusion of these subsidiaries is the best way of presenting the Group's financial position and the results for the year in the circumstances, the reason for the exclusion is not one of the reasons for exclusion provided for in HKAS 27 "Consolidated and separate financial statements" issued by the Hong Kong Institute of Certified Public Accountants and, in this respect, the financial statements are not in compliance with HKAS 27.

本核數師在策劃審核工作時，均以取得本核數師認為必需之一切資料及解釋為目標，使我們能獲得充份之憑證，從而就該等財務報表是否存有重要錯誤陳述作合理之確定。然而，本核數師所獲得之憑證受到局限，原因如下：

有關台灣附屬公司的範圍限制

如財務報表附註2所詳述由於台灣附屬公司及聯營公司欠缺獲董事認為可靠的截至二零零五年十二月三十一日止年度之會計資料，故綜合財務報表並不包括構成相當重要部分之台灣若干附屬公司及聯營公司截至二零零五年十二月三十一日止年度及於該日之業績及財務狀況。根據經審核財務資料，集團截至二零零三年十二月三十一日止分佔此等實體之資產淨值，在扣減100,880,000港元之減值虧損後，合共48,174,000港元，在綜合資產負債表中已計入於未綜合附屬公司之權益內。本行未能決定彼等減值虧損及其於未綜合附屬公司之權益是否公平地顯示。

儘管董事認為不將此等附屬公司綜合入帳是在此情況下呈報本集團在本年度之財務狀況及業績之最佳做法，惟不將此等附屬公司綜合入帳之原因，並非香港會計師公會頒佈之香港會計準則第27號「綜合及獨立財務報表」規定之原因之一，就此而言，財務報表並不符合香港會計準則第27號。

Fundamental uncertainty

The Group's operations excluding those of the Taiwan Subsidiaries have recorded losses in consecutive periods. However, as explained in note 2 to the financial statements, the financial statements have been prepared on a going concern basis, the validity of which depends on the successful attainment of profitable and positive cash flow operations. The financial statements do not include any adjustments that would result from a failure to attain the favourable results in respect of the above matters. If the outcome in respect of any of the above matters turns out to be unfavourable, the going concern basis might not be appropriate and, in such event, adjustments would have to be made to the financial statements to reduce the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. We consider that the fundamental uncertainty has been adequately disclosed in the financial statements and our opinion is not qualified in this respect.

Qualified opinion: Disclaimer on view given by financial statements

Because of the significance of the possible effect of the limitation in evidence referred to above, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2005 and of the loss and cashflow of the Group for the year then ended and the disclosure requirements of the Hong Kong Companies Ordinance.

Moores Rowland Mazars
Chartered Accountants
Certified Public Accountants
Hong Kong, 21 April 2006

基本不明朗因素

除台灣附屬公司之經營業務外，貴集團其他之經營業務於連續多個期間錄得虧損。然而，誠如財務報表附註2所述，財務報表乃按持續經營基準編製，其有效性取決於業務能否成功達致有盈利及產生正數現金流量。財務報表並不包括任何因上述措施未能達成有利結果而作出之調整。倘若任何此等事宜不利，持續經營基準可能不適當，則財務報表或須作出調整以將集團之資產之賬面值減至其可收回數額，以分別就任何可能產生之進一步負債計提撥備，並將非流動資產及負債重新分類為流動資產及負債。吾等認為基本不明朗因素已於財務報表中獲得足夠披露，故本行對此事項不持保留意見。

保留意見：對財務報表所作意見之免責聲明

鑑於上文所述，審計證據受局限可能產生之影響之重要性，對於財務報表是否真實兼公平地顯示貴集團及貴公司於二零零五年十二月三十一日的財務狀況及貴集團截至該日止年度之虧損及現金流量及香港公司條例規定之披露吾等未能訂定意見。

摩斯倫•馬賽會計師事務所
特許會計師
執業會計師
香港，二零零六年四月二十一日