



**AUDITORS' REPORT TO THE MEMBERS OF  
GMG GLOBAL LTD**

We have audited the financial statements of GMG Global Ltd and the consolidated financial statements of the group for the financial year ended June 30, 2002 set out on pages 18 to 43. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accompanying financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
  - (i) the state of affairs of the company and of the group as at June 30, 2002 and of the results and changes in equity of the company and of the group and cash flows of the group for the financial year then ended; and
  - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- (b) the accounting and other records and the registers required by the Act to be kept by the company and those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of these subsidiaries are indicated in Note 9 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that are consolidated with the financial statements of the company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207 (3) of the Act.

Without qualifying our opinion, we draw your attention to Note 13 to the financial statements which indicates that the group is in the process of negotiating the terms of the unsecured State loan amounting \$52,911,307 as at June 30, 2002 with the Minister of Finance, State of Cameroon. Based on the current arrangement, the unsecured State loan is due for repayment on December 31, 2002. This loan has been classified as a non-current liability as the directors are of the view that based on experience from past negotiations with the Minister, the repayment term of the loan will be restructured for a period exceeding the next twelve months. Accordingly, the financial statements are prepared on a going concern basis on the assumption that the loan will not be repaid within the next twelve months.

Deloitte & Touche  
Certified Public Accountants

Prakash Ambelal Desai  
Partner

Singapore  
October 7, 2002