

AUDITORS' REPORT TO THE SHAREHOLDERS OF LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 47 to 123 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Hong Kong Companies Ordinance requires the directors to prepare 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 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.

核數師報告書

致南順(香港)有限公司全體股東

(於香港註冊成立的有限公司)

本核數師行已完成審核載於第47頁至第123頁按照香港普遍採納的會計原則編制的財務報表。

董事及核數師之個別責任

香港公司條例規定董事須負責編制真實與公平的財務報表。在編制該等真實與公平的財務報表時，董事必須挑選及貫徹採用合適的會計政策。

本核數師行的責任是根據本行審核工作結果，對該等財務報表表達獨立意見，並向股東作出報告。

意見的基礎

本核數師行是按照香港會計師公會頒佈的核數準則進行審核工作。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的憑證，亦包括評估董事於編制該等財務報表時所作的重大估計和判斷、所釐定的會計政策是否適合貴公司及貴集團的具體情況及是否貫徹應用並足夠地披露該等會計政策。

本核數師行在策劃和進行審核工作時，均以取得一切本核數師行認為必需的資料及解釋為目標，使本核數師行能獲得充分的憑證，就該等財務報表是否存有重要錯誤陳述，作出合理的確定。在表達意見時，本核數師行亦已衡量該等財務報表所載的資料在整體上是否足夠。本核數師行相信，我們的審核工作已為下列意見建立了合理的基礎。

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 31st December 2003 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

PKF

Certified Public Accountants

Hong Kong, 15th January 2004

意見

本核數師行認為上述財務報表真實與公平地反映 貴公司及 貴集團於二零零三年十二月三十一日的財政狀況及 貴集團截至該日止年度的溢利和現金流量，並已按照香港公司條例而妥善編制。

梁學濂會計師事務所

執業會計師

香港，二零零四年一月十五日