

Independent Auditor's Report

獨立核數師報告



SHINEWING (HK) CPA Limited
16/F., United Centre
95 Queensway, Hong Kong

TO THE SHAREHOLDERS OF ARTFIELD GROUP LIMITED *(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Artfield Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 35 to 130 which comprise the consolidated balance sheet as at 31 March 2007, 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.

致雅域集團有限公司股東 *(於百慕達註冊成立之有限公司)*

我們已完成審核第35至130頁所載雅域集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其中包括於二零零七年三月三十一日之綜合資產負債表及截至該日期止年度之綜合收益表、綜合權益變動表及綜合現金流量表及主要會計政策概要及其他說明附註。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》有關之披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況下作出合理之會計估計。

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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, in accordance with Section 90 of the Bermuda Companies Act, 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.

核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，我們的報告僅按照《百慕達公司法》第90條，為股東（作為一個團體）而編製，並不為其他任何目的。我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。除保留意見之基礎一段所述者外，我們已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選取之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對實體內部控制之效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當的，為我們之審核意見提供基礎。

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Basis for qualified opinion

The Group acquired 100% equity interests in Matrix Software Inc. (“Matrix”) during the year (the “Acquisition”). According to the unaudited management account, Matrix was holding an intangible asset, being the on-line game intellectual property rights and which was under development. We were unable to obtain sufficient documents to review and there were no alternative audit procedures that we could adopt to verify whether the carrying amount of HK\$46,440,000 are stated at fair values at the date of acquisition and the amount of goodwill of HK\$3,963,000 generated from the Acquisition were free from material misstatements.

As disclosed in notes 18 and 19 to the consolidated financial statements, impairment losses of HK\$46,440,000 and HK\$3,963,000 were recognised in respect of the intangible asset and goodwill respectively. The directors of the Company are of the opinion that the timing for launching the on-line game to the market was not determinable after reviewing the development progress of the intellectual property. The intangible asset and goodwill at the consolidated balance sheet as at 31 March 2007 have nil carrying values.

We were unable to obtain sufficient documents to review and there were no alternative audit procedures that we could adopt to verify whether the carrying values of intangible asset and goodwill were fairly stated in the consolidated balance sheet and the impairment losses on intangible asset and goodwill recognised in the consolidated income statement were appropriate.

As disclosed in note 31 to the consolidated financial statements, there were no movements in the financial position of Matrix during the period from the date of acquisition to the balance sheet date.

We were unable to adopt applicable audit procedures to ascertain whether the financial position of Matrix have been properly reflected in the consolidated financial statements and whether there were unrecorded liabilities, contingent liabilities and capital commitments existed at the balance sheet date. We were unable to quantify the impact on the consolidated financial statements.

保留意見之基礎

貴集團於年內收購Matrix Software Inc. (「Matrix」) 100%股本權益(「該收購」)。根據未經審核管理賬目，Matrix持有一項無形資產，即網上遊戲知識產權，有關資產尚處於開發階段。我們無法取得足夠文件以供審閱，亦概無其他審核程序可供採納，以核實46,440,000港元賬面值乃按收購日之公平值列賬，以及該收購所產生之3,963,000港元商譽並不受任何重大錯誤陳述所影響。

誠如綜合財務報表附註18及19所披露，無形資產及商譽分別確認46,440,000港元及3,963,000港元減值虧損。貴公司董事認為，於審閱該知識產權之開發進度後，無法確定該網上遊戲推出市場之時機。於二零零七年三月三十一日之綜合資產負債表內之無形資產及商譽並無賬面值。

我們無法取得足夠文件以供審閱，亦概無其他審核程序可供採納，以核實綜合資產負債表內之無形資產及商譽賬面值是否已公平呈列，以及綜合收益表內所確認之無形資產及商譽減值虧損是否恰當。

誠如綜合財務報表附註31所披露，Matrix於收購日起至結算日期間之財務狀況概無變動。

我們無法採納適用之審核程序以確定Matrix之財務狀況是否已於綜合財務報表內妥為反映，以及於結算日是否存在任何未列賬之負債、或然負債及資本承擔。我們無法將對綜合財務報表之影響量化。

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Qualified opinion arising from limitation of audit scope

In our opinion, except for any adjustments that might have been found necessary had we been able to satisfy ourselves regarding the matter as set out 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 March 2007 and of the Group's loss and cash flow 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.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Lau Miu Man

Practicing Certificate Number: P03603

Hong Kong
27 July 2007

因審核範圍受到限制所產生之保留意見

我們認為，除我們對保留意見的基礎一段所列事項能令本身感到滿意所會決定的必須的調整影響外(如有)，綜合財務報表已根據香港財務報告準則真實公平地反映 貴集團於二零零七年三月三十一日之事務狀況，以及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥為編製。

信永中和(香港)會計師事務所有限公司

執業會計師

樓妙敏

執業證書號碼：P03603

香港
二零零七年七月二十七日