

德勤·關黃陳方會計師行

Certified Public Accountants
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**Deloitte
Touche
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Auditors' Report

**TO THE SHAREHOLDERS OF
EMPEROR INTERNATIONAL HOLDINGS LIMITED**
(incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 32 to 102 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

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 to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants except that the scope of our work was limited as explained below.

**TO THE SHAREHOLDERS OF
EMPEROR INTERNATIONAL HOLDINGS LIMITED** *(continued)*
(incorporated in Bermuda with limited liability)

Basis of opinion *(continued)*

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 circumstances of the Company and the Group, consistently applied and adequately disclosed.

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 explained below.

Included in the financial statements are interests in associates as at March 31, 2001 of approximately HK\$441,352,000 and share of profit of associates of approximately HK\$15,360,000 for the year then ended in respect of Emperor (China Concept) Investments Limited ("ECC") in which the Group holds a 49.11% interest. However, as explained in note 18 to the financial statements, the auditors' report on the consolidated financial statements of ECC for the year ended March 31, 2001 is qualified as a result of the auditors having been unable to obtain sufficient evidence to satisfy themselves that interests in unconsolidated subsidiaries as at March 31, 2001 of approximately HK\$772,772,000 and the profit of approximately HK\$181,469,000 in connection with those unconsolidated subsidiaries for the year then ended included in the consolidated financial statements of ECC were fairly stated. Accordingly, we were unable to satisfy ourselves as to whether the Group's share of ECC's net assets as at March 31, 2001, and the Group's share of ECC's consolidated profit for the year ended March 31, 2001 were fairly stated.

**TO THE SHAREHOLDERS OF
EMPEROR INTERNATIONAL HOLDINGS LIMITED** *(continued)*
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Basis of opinion *(continued)*

Any adjustment found to be necessary may affect the net assets of the Group as at March 31, 2001 and the profit of the Group for the year then ended.

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.

Qualified opinion arising from limitation of scope

Except for any adjustments which might have been found necessary had we been able to obtain sufficient evidence concerning ECC, in our opinion the financial statements give a true and fair view of the state of affairs of the Group as at March 31, 2001 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at March 31, 2001.

In respect alone of the limitation on our work relating to ECC, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

Deloitte Touche Tohmatsu

Hong Kong, July 20, 2001