

**德勤 • 關黃陳方會計師行**

Certified Public Accountants  
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**Deloitte  
Touche  
Tohmatsu****TO THE MEMBERS OF GREATER CHINA HOLDINGS LIMITED**

*(FORMERLY KNOWN AS GREATER CHINA SCI-TECH HOLDINGS LIMITED)*

*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 19 to 66 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.

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 set out below.

As explained in note 2(b) to the consolidated financial statements, the directors were unable to obtain sufficient documentary evidence and financial information to satisfy themselves as to the recoverable amount of the exchangeable loan receivable of HK\$25,000,000 included in the consolidated balance sheet at 31 December 2001. Although as explained in note 2(b), full allowance has been made for this amount in the consolidated income statement for the year ended 31 December 2002, the directors were unable to satisfy themselves that such allowance should not have been made in the period from 1 July 2000 to 31 December 2001. Any adjustments found to be necessary to the exchangeable loan receivable at 31 December 2001 would have a consequential effect on the net loss of the Group for the year ended 31 December 2002.

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 audit scope**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2002. Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the allowance for doubtful loan receivable, in our opinion the financial statements give a true and fair view of the loss and cash flows of the Group for the year ended 31 December 2002 and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

In respect alone of the limitations on our work relating to allowance for doubtful loan receivable, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

Without further qualifying our audit opinion, we draw to your attention that as explained in note 2(a) to the financial statements, the directors are unable to satisfy themselves that the comparative consolidated income statement for the period from 1 July 2000 to 31 December 2001 is free from misstatement.

### **DELOITTE TOUCHE TOHMATSU**

*Certified Public Accountants*

Hong Kong  
25 April 2003