



**To the members**

**Artfield Group Limited**

*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 37 to 98 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 an 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. However, the evidence available to us was limited as explained below.

**雅域集團有限公司**

*(於百慕達註冊成立之有限公司)*

**全體股東：**

本會計師事務所已審核刊於第37至第98頁之財務報表。該財務報表乃根據香港一般採納之會計準則編製。

**董事及核數師各自之責任**

公司條例規定董事須編製真實與公平之財務報表。採用適當之會計政策並貫徹執行，是編製真實與公平之財務報表的基本要求。本事務所之責任，是根據本事務所對該財務報表之審核結果，作出獨立意見，並向股東報告。

**意見之基礎**

本事務所乃根據香港會計師公會頒佈之核數準則而進行審核。惟我們的審核工作範圍受到局限，詳情如下。

審核範圍包括以抽查方式，查核財務報表內所載數額及披露事項之憑證，並包括評估董事於編製財務報表時所作之重大估計及判斷，所釐定之會計政策是否適合貴公司與貴集團之具體情況，以及有否貫徹運用並足夠披露該等會計政策。

本事務所在策劃和進行審核工作時，均以取得一切本事務所認為必需的資料及解釋為目標，使本事務所能獲得充份的憑證，就該等財務報表是否存有重要錯誤陳述，作合理的確定。然而，就有關下列事宜本事務所能取得之憑證受到局限。

### SCOPE LIMITATION – ACQUISITION OF A SUBSIDIARY

As further detailed in notes 14 and 28(b) to the financial statements, the Group acquired a subsidiary (the “Acquisition”) for a consideration of HK\$20 million during the year. The evidence available to us in connection with the acquisition of this company was limited. Notwithstanding that we understand the acquired subsidiary has been in the metals distribution business for some three years, no proper books and records in connection with the subsidiary company’s activities prior to the Acquisition, other than in respect of the fixed assets and other receivable set out in note 28(b) to the financial statements, were available for our audit. Accordingly, we were unable to obtain sufficient evidence to assess or confirm the accounting for the Acquisition, to ascertain the reasonableness of the amounts paid for the Acquisition or otherwise determine how the payments of HK\$20 million should be reflected in the underlying transaction. As a result of this scope limitation, we were not able to perform the procedures we considered necessary to assess the transaction as a whole and, accordingly, the carrying value of the goodwill arising from the acquisition at 31 March 2003. Any adjustment to either the goodwill and/or the net assets acquired arising from the acquisition of the subsidiary would have a consequential impact on the Group’s net assets as at 31 March 2003 and its profit 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 AUDIT SCOPE

Except for any adjustments or disclosures that might have been found to be necessary had we been able to satisfy ourselves regarding the matter discussed in the preceding paragraph, 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 31 March 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 disclosure requirements of the Hong Kong Companies Ordinance.

In respect alone of the limitation on our work relating to the acquisition of the subsidiary,

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper books of account had been kept.

**Ernst & Young**  
Certified Public Accountants

Hong Kong, 30 July 2003

### 受限制範圍 – 收購一間附屬公司

誠如財務報表附註14及28(b)所詳述，貴集團於本年度以代價港幣20,000,000元收購一間附屬公司（「本收購」）。本事務所就有關收購該附屬公司所獲得之憑證有限。縱使本事務所明白該被收購之公司在過去三年間有從事鋼鐵分銷業務，但該公司在本收購前之賬冊及紀錄未能按規範編制，而僅得固定資產及其他應收賬款列示於財務報表附註28(b)，可供本事務所審核。本事務所因此無法獲得足夠憑證以評估或確認有關本收購之會計處理方法，藉此確定本收購所付金額之合理性，或測定所支付之港幣20,000,000元如何反映在此交易中。由於範圍之限制，本事務所未能進行視為必要之程序以評估整個交易及因收購而產生之商譽於二零零三年三月三十一日之賬面淨值。任何對該商譽及／或因收購此附屬公司所獲得之資產淨值之調整，對貴集團截至二零零三年三月三十一日之資產淨值及截至本年度止之利潤將構成相應之影響。

在作出意見時，本事務所亦已評估財務報表內所提呈之資料整體上是否足夠。本事務所相信審核工作已為下列意見提供合理之基礎。

### 因受審核範圍限制而作保留意見

除了本事務所就有關上述事項而視作必要之任何調整或資料披露外，依本事務所之意見，該財務報表均真實與公平地顯示貴公司與貴集團於二零零三年三月三十一日之財務狀況及貴集團截至該日止全年度之利潤及現金流量，並根據香港公司條例之披露規定適當編制。

僅就本事務所審核收購該附屬公司所面對之限制而言：

- 本事務所未能取得進行有關審核工作所需之一切資料及解釋；及
- 本事務所亦未能確定賬冊是否適當保存。

**安永會計師事務所**  
執業會計師

香港，二零零三年七月三十日