

# REPORT OF THE AUDITORS

## 核數師報告書

Auditors' report to the members of  
**Grand Field Group Holdings Limited**  
*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 30 to 80 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 solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public 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.

### 致鈞濠集團有限公司列位股東 (於百慕達註冊成立之有限公司)

我們已完成審核載於第30至第80頁之財務報表。該等財務報表是按照香港普遍採納之會計原則而編製的。

### 董事及核數師之個別責任

公司董事須編製真實與公平之財務報表，在編製該等真實與公平的財務報表時，董事必須採用合適之會計政策並且貫徹應用該等會計政策。

我們的責任是根據我們審核工作之結果，對該等財務報表作表獨立意見，並僅向閣下報告，除此以外，我們不會對本報告之內容向任何其他人士負上或承擔任何責任。

### 意見之基礎

我們是按照香港會計師公會所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之憑證，亦包括評估董事於編製該等財務報表時所作之主要估計和判斷；所採用之會計政策是否適合貴公司及貴集團之具體情況，以及有否貫徹運用並充份披露該等會計政策。

我們在策劃及進行審核工作時，均以取得我們認為必需之資料及解釋為目標，以便我們能獲得充分憑證，就該等財務報表是否存有重要錯誤陳述，作出合理之確定。在作出意見時，我們亦已評估該等財務報表所載資料在整體上是否足夠。我們相信，我們之審核工作已為下列意見建立合理之基礎。

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## 核數師報告書

### QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT

In the previous years, the Group had made a provision for the land appreciation tax (the "LAT"), amounting to HK\$17,254,000, arising from the property development activities in the Peoples' Republic of China (the "PRC"). According to the letter from the local tax authorities, as the LAT has not yet been levied in Shenzhen and the Group did not have any LAT liability as at 31 December, 2004. In the opinion of the directors, after a legal advice was sought from the local lawyer, this provision is not required to pay and therefore the provision for this LAT was written back and accounted for as an income during the year. However, based on the evidence provided to us and considering that there has been no change in the tax regulations in the PRC in respective of the LAT since this provision was made, in our opinion, the appropriateness of writing back the LAT provision and recognizing the balance as an income in the Group's financial statements for the year ended 31 December 2004 cannot be ascertained.

Except for the accounting treatment on the write back of the LAT provision, in our opinion, the financial statements give a true and fair view of the state of the affairs of the Company and of the Group as at 31 December, 2004 and of the Group's 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.

**BAKER TILLY HONG KONG LIMITED**  
*Certified Public Accountants*

Hong Kong, 23 April 2005

### 對會計處理方法所產生之保留意見

於以前年度，貴集團於中華人民共和國（「中國」）因房地產開發活動而引起的土地增值稅已計提了撥備為港幣17,254,000元。根據地方稅局發出的信函，深圳市尚未開徵土地增值稅，而截至二零零四年十二月三十一日止，貴集團尚不欠繳土地增值稅。各董事們在獲得當地律師的法律建議後，認為該項撥備是不需要支付的，所以於本年度將該筆土地增值稅撥備撥回並作為收入處理。然而，根據我們已獲得的憑證和考慮到中國的稅務法規在計提該筆土地增值稅後沒有任何改變，所以我們不能確認該筆土地增值稅撥備的撥回和於貴集團截至二零零四年十二月三十一日的財務報表中確認該餘額為收入的處理是否恰當。

除了撥回土地增值稅撥備的會計處理外，我們認為，上述的財務報表均真實公平反映貴公司及貴集團於二零零四年十二月三十一日之財務狀況及貴集團截至該日止年度之利潤及現金流量，並已按照香港公司條例中之披露規定而適當編製。

**正風會計師事務所有限公司**  
*執業會計師*

香港，二零零五年四月二十三日