

Certified Public Accountants  
Hong Kong Member Firm of  
Grant Thornton International

**Grant Thornton**   
**均富會計師行**

## **TO THE MEMBERS OF CENTURY LEGEND (HOLDINGS) LIMITED**

*(incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 24 to 61 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 financial statements 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.

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### **Basis of opinion**

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public 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 Company's and the Group's circumstances, 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 follows:

- (1) As detailed in note 16 to the financial statements, on 19 November 2003 and 4 February 2004, the Group acquired an aggregate of 15% (2003: 5%) interest in each of the two unincorporated syndicates of which the principal activities are the carrying out of junket operations (the "Investment") and the cost for acquiring the Investment amounting to approximately HK\$35.0 million (2003: HK\$11.6 million) has been included under "Investments" in the consolidated balance sheet. We have not been able to obtain sufficient documentary evidence to ascertain the existence of the Investment, the Group's ownership in the Investment and to assess whether there was any impairment in respect of the carrying value of the Investment. There were no alternative procedures that we could adopt to satisfy ourselves regarding the existence of the Investment, the ownership of the Investment

by the Group and the valuation of the Investment as at 31 December 2004 and 31 December 2003. Accordingly, we have not been able to ascertain the appropriateness of the recognition of the investment return arising from the Investment amounting to HK\$5.5 million as included under "Other revenue" for the year ended 31 December 2004 as set out in note 3 to the financial statements. Any adjustments found to be necessary as a result of the scope limitations would have a consequential effect on the Group's profit for the year and its net assets as at 31 December 2004 and 31 December 2003.

- (2) As detailed in note 15(3) to the financial statements, on 14 September 2004, the Group acquired 43% issued share capital of an associated company incorporated in the British Virgin Islands (the "Associate") at the consideration of HK\$15 million. The Group accounted for its interest in the Associate using equity method and the Group's interest in the Associate was HK\$14,843,000 (the "Interest in Associate") as at 31 December 2004. No audited financial statements of the Associate were made available to us and there were no alternative procedures that we could adopt to satisfy ourselves as to whether there was any impairment in respect of the Interest in Associate as at the balance sheet date. Any adjustments found to be necessary as a result of the scope limitations would have a consequential effect on the Group's profit for the year and its net assets as at 31 December 2004.

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 that might have been found to be necessary had we been able to obtain sufficient evidence concerning the existence of the Investment, the Group's ownership in the Investment, the carrying value of the Investment, the Group's entitlement to the investment return from the Investment during the year and the valuation of the Interest in Associate as mentioned above, 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 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.

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

### **Grant Thornton**

*Certified Public Accountants*

Hong Kong, 16 April 2005