

## 德勤•關黃陳方會計師行

Certified Public Accountants  
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**Deloitte  
Touche  
Tohmatsu**

TO THE SHAREHOLDERS OF WAI KEE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 33 to 93 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. 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 judgments 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 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.

### **FUNDAMENTAL UNCERTAINTY RELATING TO THE PUBLIC HOUSING PILING INCIDENT IN SHATIN (THE "PILING INCIDENT")**

In forming our opinion, we have considered the adequacy of the disclosures made in note 26 to the financial statements concerning the Piling Incident which occurred during 1999 and which is the subject of a claim against one of the Company's wholly-owned subsidiaries by The Hong Kong Housing Authority. Both parties have now agreed that the claim will be settled through arbitration. A provision of HK\$60 million was made during the year ended 31st March, 2000 in respect of the Piling Incident and, in the opinion of directors, no further provision is required. Although it is not possible to determine the outcome of the arbitration with reasonable certainty at this time, we consider that the fundamental uncertainty has been adequately accounted for and disclosed in the financial statements and our opinion is not modified in this respect.

### **OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31st December, 2002 and of the profit and cash flows of the Group for the period from 1st April, 2002 to 31st December, 2002 and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong, 27th March, 2003