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## REPORT OF THE AUDITORS



安永會計師事務所

To the members of

**Can Do Holdings Limited**

*(Incorporated in Hong Kong with limited liability)*

We have audited the financial statements on pages 24 to 64 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The Companies Ordinance requires the directors to prepare 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 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.

### **FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation. As further explained in note 2, the financial statements, which report consolidated net current liabilities of HK\$361,233,000 and a deficiency in assets of HK\$107,604,000 at 31 March 2001, have been prepared on the going concern basis, the validity of which is dependent upon the continued financial support from the principal bank of the Group and an additional capital injection into the Group. The financial statements do not include any adjustments that would result from failure to obtain the continued financial support from the principal bank of the Group or the additional capital injection into the Group. We consider that appropriate disclosures and estimates have been made in the financial statements and our opinion is not qualified in this respect.

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## **REPORT OF THE AUDITORS** (Continued)

### **OPINION**

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 2001 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Ordinance.

**Ernst & Young**

*Certified Public Accountants*

Hong Kong

4 October 2001