

REPORT OF THE AUDITORS
核數師報告書 **ERNST & YOUNG**
安永會計師事務所

To the members
Xin Corporation Limited
(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 46 to 108 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 1981, 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 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.

全體股東
致新創綜合企業有限公司
(於百慕達註冊成立之有限公司)

本核數師經已審核載於第46至第108頁之財務報表，該等財務報表乃根據香港公認之會計準則編製。

董事及核數師之有關責任

貴公司之董事須負責編製真實而公平之財務報表。在編製該等真實而公平之財務報表時，董事必須選擇及貫徹採用合適之會計政策。本核數師之責任，乃根據我們審核之結果，對該等財務報表提供獨立意見，並根據百慕達一九八一年公司法第90條僅向全體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告之內容向任何其他人士負上或承擔任何責任。

意見基礎

本核數師乃根據香港會計師公會頒佈之核數準則進行審核工作。審核範圍包括以抽查方式，查核該財務報表內所載數額及所披露資料之證據，亦包括評估董事在編製該等財務報表時所作之重要估計及判斷，以及採用之會計政策是否適合貴公司及貴集團之狀況，以及有否貫徹採用並足夠披露該等會計政策。

REPORT OF THE AUDITORS 核數師報告書

BASIS OF OPINION (Continued)

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 GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the adoption of the going concern basis on which the financial statements have been prepared. As explained in note 2 to the financial statements, the Group is currently undertaking a number of measures to improve its financial and current liquidity position. The financial statements have been prepared on a going concern basis, the validity of which depends upon ongoing support of the Group's holding companies, bankers and other creditors, the availability of additional external funding and the attainment of profitable and positive cash flow operations to meet the Group's future working capital and financial requirements. The financial statements do not include any adjustment that may be necessary should the implementation of such measures be unsuccessful. We consider that appropriate disclosures have been made in the financial statements concerning this situation, but we consider that this fundamental uncertainty relating to whether the going concern basis is appropriate is so extreme that we have disclaimed our opinion.

意見基礎 (續)

本核數師在策劃和進行審核時，均以取得一切本核數師認為必需之資料及解釋為目標，使本核數師能獲得充分之憑證，就該等財務報表是否存有重大錯誤陳述，作合理之確定。在達致意見時，本核數師亦曾評估財務報表所呈列資料是否充分足夠。本核數師相信，審核結果已為本核數師作出意見提供合理基礎。

有關持續經營基準之主要不明朗因素

在達致意見時，本核數師已考慮財務報表附註2有關採納持續經營基準編製財務報表是否充足披露。如財務報表附註2所述，本集團現正採取多項措施，以改善其財政及現時之流動資金狀況。財務報表已按持續經營基準編製，其有效性乃視乎本集團之控股公司、往來銀行及其他債權人會否繼續提供支持，是否有額外外來資金，以及能否達到有利可圖及正現金流量之業務，以應付本集團之未來營運資金及財務需要。財務報表並無載入倘若所推行之有關措施未能取得成功時可能有需要作出之任何調整。本核數師認為，財務報表已就有關情況作出適當披露，惟本核數師認為此項有關持續經營基準是否適當之主要不明朗因素太過極端，以致本核數師拒絕表示意見。

REPORT OF THE AUDITORS
核數師報告書**DISCLAIMER OF OPINION**

Because of the significance of the fundamental uncertainty relating to the going concern basis, we are unable to form an opinion as to whether 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 2004 and of the loss and cash flows of the Group for the year then ended and as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young*Certified Public Accountants*Hong Kong
26 July 2004**不表示意見**

由於有關持續經營基準之主要不明朗因素實屬重大，本核數師無法達致意見，表示財務報表真實及公平地反映 貴公司及 貴集團於二零零四年三月三十一日之財政狀況，以及 貴集團截至該日止年度之虧損及現金流量，且財務報表已遵照香港公司條例之披露規定妥善編製。

安永會計師事務所*執業會計師*香港
二零零四年七月二十六日