



To the members

Zhu Kuan Development Company Limited

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 31 to 98 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.

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：珠光發展有限公司股東

(於百慕達註冊成立之有限公司)

吾等已完成審核載於第31頁至第98頁按照香港公認會計原則編製的財務報表。

董事與核數師的責任

貴公司董事須負責編製真實與公平的財務報表，在編製該等財務報表時，董事必須貫徹採用合適的會計政策。根據百慕達一九八一年公司法第90條，吾等的責任是根據審核工作的結果，對該等財務報表作出獨立的意見，並僅向閣下(作為法人)報告，除此之外概無其他用途。吾等概不就本報告的內容向任何人士承擔責任。

意見的基礎

吾等是按照香港會計師公會頒布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的憑證，亦包括評估董事於編製該等財務報表時所作出的重大估計及判斷，及會計政策是否切合貴公司及貴集團的具體情況，及有否貫徹運用並充分披露該等會計政策。

吾等在策劃和進行審核工作時，均以取得一切吾等認為必需的資料及解釋為目標，使吾等能獲得充分的憑證，就該等財務報表是否有重大錯誤陳述，作出合理的確定。在作出意見時，吾等亦已衡量該等財務報表所載資料在整體上是否足夠。吾等相信，吾等的審核工作已為下列意見建立合理的基礎。

Uncertainty relating to going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the adoption of the going concern basis on which the financial statements have been prepared. As explained in note 3 to the financial statements, two shareholders of the Company (the "Controlling Shareholders"), holding indirectly an aggregate equity interest of approximately 71.7% in the Company, are currently the subject of winding-up petitions filed by one of their creditors in the High Court of Hong Kong (the "High Court"). Provisional liquidators have been appointed by the High Court to safeguard the assets of the Controlling Shareholders for the benefit of the creditors in general, pending the High Court's decision as to whether winding-up orders would be made. The financial statements have been prepared on a going concern basis, the validity of which depends upon the decision of the Controlling Shareholders' bankers and creditors over the future direction of the business and financial operations of the Group, should the winding-up orders be made on the Controlling Shareholders by the High Court. The financial statements do not include any adjustments that may be necessary should the winding-up orders be granted and decisions are subsequently taken by the Controlling Shareholders' bankers and creditors over the future direction of the business and financial operations of the Group, which may affect the Group's ability to continue to operate as a going concern. We consider that appropriate estimates and disclosures have been made in the financial statements and our opinion is not qualified 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 of the Group as at 30 April 2003 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants

Hong Kong
26 August 2003

有關持續經營基準的不明朗因素

在達致意見時，吾等已考慮財務報表附註3有關採納持續經營基準編製財務報表所作出的披露是否足夠。按財務報表附註3所述，本公司兩名股東（「控股股東」，合共間接持有本公司股本權益約71.7%），目前正面臨彼等其中一名債權人向香港高等法院（「高院」）提出的清盤呈請。高院已委任臨時清盤人保護控股股東的資產，以保障債權人之一般利益，待高院決定是否下達清盤令。該等財務報表乃按持續經營基準編製，倘高院向控股股東下達清盤令，則財務報表的有效程度將取決於控股股東的往來銀行及債權人對貴集團業務及財務運作的未來取向的決定。該等財務報表並無就一旦頒佈清盤令，而控股股東的往來銀行及債權人最終就貴集團業務及財務運作之未來取向作出可能影響貴集團繼續按持續經營模式運作的能力作出任何可能必須作出的調整。吾等認為，該等財務報表內已作出適當估計及披露，因此並無保留意見。

意見

吾等認為，上述的財務報表均真實與公平地反映貴公司及貴集團於二零零三年四月三十日的財政狀況及貴集團截至該日止年度的虧損及現金流量，並已按照香港公司條例的披露要求而妥善編製。

安永會計師事務所
執業會計師

香港
二零零三年八月二十六日