



TO THE SHAREHOLDERS OF PLUS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 41 to 95 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 the Statements of Auditing Standards issued by the Hong Kong Society of 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 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.

致普納集團有限公司各股東

(於百慕達註冊成立之有限公司)

本核數師(「以下簡稱「我們」)已審核載於第41頁至第95頁按照香港公認會計原則編製的財務報表。

董事及核數師各自的責任

貴公司董事須負責編製真實及公平的財務報表。在編製該等真實而公平的財務報表時，董事必須選擇及貫徹採用合適的會計政策。

我們的責任是根據我們審核賬項的結果，對該等賬項作出獨立意見，並按照百慕達1981年公司法第九十條的規定，只向整體股東作出報告。除此之外，我們的報告不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔責任。

意見的基礎

我們已按照香港會計師公會頒佈的核數準則進行審核工作，惟我們的工作範圍受下文所述事項限制。

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的重大估計及判斷，所釐定的會計政策是否適合貴公司及貴集團的具體情況及是否貫徹採用並充份披露該等會計政策。

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 because included in the consolidated balance sheet as at 31 March 2004 was an amount of HK\$17,154,000 in respect of goodwill arising from acquisition of a subsidiary in prior year. The operation of that subsidiary was temporarily ceased as a result of the restructuring of the Group's financing. Due to the lack of relevant information, we are unable to determine the amount of impairment loss to be made for the goodwill.

There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to these matters, which may have a consequential effect on the Group's loss for the year and net liabilities at 31 March 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.

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 which explains that the Group is in the process of implementing measures to improve its current financial liquidity. For the year ended 31 March 2004, the Group reported a loss attributable to shareholders of HK\$28,291,000. As at 31 March 2004, the Group had a capital deficiency of HK\$14,368,000 and net current liabilities of HK\$39,303,000. During the year, the Group had overdue borrowings totaling HK\$31,048,000. As a consequence the entire related borrowings have been classified as current liabilities in the financial statements as at 31 March 2004.

The Group is negotiating with the relevant banks to reschedule the repayment terms of the existing borrowings and to continue providing credit facilities to the Group. In addition, the Group is in the process of negotiation with its creditors to seek their consent for an independent third party to acquire certain part of the Group's outstanding debts.

我們在策劃審核工作時，均以取得一切我們認為必需的資料及解釋為目標，以便獲得充分的憑證，就該等財務報表是否存有重大錯誤陳述，作出合理的確定。然而，我們就2004年3月31日 貴集團的綜合資產負債表上於以往會計年度收購附屬公司時所呈現的商譽共港幣17,154,000所獲的憑證受到限制。由於該附屬公司進行財務重組關係，其業務正處於暫時中止期。由於我們未能取得有關資料，故此我們無法確定對商譽應作之減值虧損。

並無其他令人滿意的審核程序，可供我們採用以令我們確定上述所載的事項。倘對上述數字作出任何調整，均會影響 貴集團於2004年3月31日的負債淨值及截至該日止年度的虧損。

在表達意見時，吾等亦已衡量該等財務報表所載之資料在整體上是否足夠。我們相信，我們之審核工作已為下列意見提供合理之基礎。

有關持續經營基準的基本不肯定因素

我們在達致意見時，已考慮到財務報表附註2所載有關 貴集團正實施改善其現時財務流動資金的措施。 貴集團截至2004年3月31日止年度產生股東應佔綜合虧損為28,291,000港元，而於2004年3月31日股東資金虧損為28,291,000港元，而於2004年3月31日股東資金虧絀為14,368,000港元，流動負債淨值則為39,303,000港元。而 貴集團之逾期短期借貸合共31,048,000港元。因此整個相關借貸於2004年3月31日之財務報表中歸納為流動負債。

貴集團現正與其相關銀行磋商，安排現有借貸之還款協議及持續提供信貸額，此外 貴集團正與其債權人磋商，尋求獨立第三者收購 貴集團部份未清償的債務。



Accordingly, the financial statements have been prepared on the going concern basis which assumes that the rescheduling of the repayment terms of certain of the Group's bank borrowings will be agreed by the relevant banks, the intended disposal of certain of the Group's debts will be successfully completed, and the Group's future operations will be successful. The validity of these assumptions, however, is entirely dependent upon the occurrence of future events, which remains uncertain as of the date of approval of these financial statements.

DISCLAIMER OF OPINION

Because of the significance of the possible effect of the limitation in evidence available to us and because 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 the affairs of the Company and the Group as at 31 March 2004 and of the loss and cash flows of the Group for the year then ended. In all other respects, in our opinion, the financial statements 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 goodwill, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

Morison Heng

*Chartered Accountants
Certified Public Accountants*

Hong Kong: 23 July 2004

有鑑於此，本財務報表已按持續經營基準所編製，假定貴集團已與相關銀行協定進行債務還款重新安排，並將能成功出售部份未清償的債務給予獨立第三者及貴集團未來經營能取得成功。以上假定論點的真確性完全依據未發生之事故，截至本財務報表批准日止，仍然未能確認。

未能發表意見

鑑於提供予我們的憑證有所限制而可能產生之影響重大，加上有關持續經營基準之基本不肯定因素，我們未能就財務報表是否真實及公平地載列貴公司及貴集團於2004年3月31日之財務狀況及貴集團於截至該日止年度之虧損及現金流量表達意見。就其他方面而言，吾等認為，該等財務報表已根據香港公司條例之披露規定適當地編製。

僅就我們於有關商譽所載列的審核範圍所受限制而言，我們並未取得我們認為進行審核工作必需之全部資料及解釋。

華利信會計師事務所

*英國皇家特許會計師
香港執業會計師*

香港，2004年7月23日