

ERNST & YOUNG
安永會計師事務所

To the members
Jiuzhou Development Company Limited
(Formerly Zhu Kuan Development Company Limited)
(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 39 to 126 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 Institute of Certified Public 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.

致：九洲發展有限公司股東
(前稱珠光發展有限公司)
(於百慕達註冊成立之有限公司)

吾等已完成審核載於第39頁至第126頁按照香港公認會計原則編製之財務報表。

董事與核數師各自之責任

貴公司董事須負責編製真實與公平之財務報表，在編製該等財務報表時，董事必須貫徹採用合適之會計政策。吾等之責任是根據吾等審核工作之結果，對該等財務報表作出獨立意見，並按照百慕達一九八一年《公司法》第九十條之規定，並僅向閣下(作為法人)報告，除此之外概無其他用途。吾等概不就本報告之內容向任何其他人士負責或承擔責任。

意見之基礎

吾等是按照香港會計師公會頒佈之審核準則進行審核工作。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。

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.

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, a shareholder of the Company (the “Major Shareholder”), holding indirectly 337 million shares, representing an aggregate equity interest of approximately 42.2% in the Company, is currently the subject of a winding-up petition filed with the High Court of Hong Kong (the “High Court”). In addition, a shareholder of the Company (the “Registered Shareholder”), which is a wholly-owned subsidiary of the Major Shareholder and directly holds the 42.2% equity interest in the Company, is also the subject of a voluntary winding-up petition filed by the provisional liquidators of its shareholders in the High Court and the Court of the British Virgin Islands (the “BVI Court”). Provisional liquidators have been appointed by the High Court and/or the BVI Court to safeguard the assets of the Major Shareholder and the Registered Shareholder for the benefit of the creditors in general. During the year, pursuant to another winding-up petition, a winding-up order was granted by the Court of First Instance of the Macau Special Administrative Region (the “Macau Court”) against the Major Shareholder. A liquidator has been or will be appointed by the Macau Court, and has taken over or will take over the management of the Major Shareholder.

意見之基礎 (續)

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之資料及解釋為目標，使吾等能獲得充分之憑證，就該等財務報表是否有重大錯誤陳述，作出合理之確定。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，吾等之審核工作已為下列意見建立合理之基礎。

有關持續經營基準之不明朗因素

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之披露是否足夠。按財務報表附註3所述，本公司一名股東（「主要股東」，間接持有337,000,000股股份，佔本公司股本權益合共約42.2%）正面臨向香港高等法院（「高院」）提出之清盤呈請。此外，本公司一名股東（「註冊股東」，為主要股東之全資附屬公司，並直接持有本公司股本權益42.2%）亦面臨其股東之臨時清盤人向高院及英屬處女群島法院（「英屬處女群島法院」）提出之自動清盤呈請。高院及／或英屬處女群島法院已委任臨時清盤人，以為債權人整體之利益而保護主要股東及註冊股東之資產。年內，根據另一項清盤呈請，澳門特別行政區第一審法院（「澳門法院」）向主要股東授出清盤令。澳門法院已經或將會委任一名清盤人，其已接手或將會接手管理主要股東。

UNCERTAINTY RELATING TO GOING CONCERN BASIS (Continued)

Notwithstanding the above, the 337 million shares (the "Pledged Shares") held by the Registered Shareholder were charged in previous years in favour of a wholly-owned subsidiary of a substantial shareholder of the Company (the "Chargee"), and a dispute has arisen between the Chargee and the provisional liquidators over the proposed transfer of such shares by the Chargee.

Any changes in the registered holders of the Pledged Shares may result in a change in the composition of the board of directors of the Company.

The financial statements have been prepared on a going concern basis, the validity of which depends upon the decision of the bankers, creditors, liquidators and provisional liquidators of the Major Shareholder and/or the Registered Shareholder over the future direction of the business and financial operations of the Group as a result of the various winding-up petitions and/or any subsequent changes in the registered holders of the Pledged Shares. The financial statements do not include any adjustments that may be necessary should decisions be subsequently taken by the bankers, creditors, liquidators and provisional liquidators of the Major Shareholder and/or the Registered Shareholder 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. Details of the circumstances relating to this uncertainty are described in note 3 to the financial statements. We consider that appropriate estimates and disclosures have been made in the financial statements and our opinion is not qualified in this respect.

有關持續經營基準之不明朗因素 (續)

儘管有上文所述者，註冊股東所持之 337,000,000 股股份 (「押記股份」) 已於過去數年抵押予本公司一名主要股東之全資附屬公司 (「承押記人」)，而承押記人與臨時清盤人就承押記人建議轉讓該等股份出現爭議。

押記股份註冊持有人之任何變動可能引起本公司董事會之架構變動。

該等財務報表乃按持續經營基準編製，其有效程度將取決於主要股東及／或註冊股東之往來銀行、債權人、清盤人及臨時清盤人因不同之清盤呈請及／或抵押股份註冊持有人之任何其後變動而對 貴集團業務及財務運作之未來取向之決定。該等財務報表並無就主要股東及／或註冊股東之往來銀行、債權人、清盤人及臨時清盤人最終就 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之能力作出任何可能必須作出之調整。有關此項不明朗因素情況之詳情載於財務報表附註1。吾等認為財務報表已作出適當估計及披露，故並無就此保留吾等之意見。

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 2005 and of the profit 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

Hong Kong
26 August 2005

意見

吾等認為，財務報表真實與公平反映 貴公司及 貴集團於二零零五年四月三十日之財政狀況及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

安永會計師事務所

香港
二零零五年八月二十六日