



## TO THE MEMBERS OF PREMIUM LAND LIMITED

(incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 40 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, that judgement and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

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, 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 Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, except that the scope of work was limited as explained below.

An audit includes examination on a test basis, of evidence 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 financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and of the Group, consistently applied and adequately disclosed.

## 致上海策略置地有限公司股東

(於百慕達註冊成立之有限公司)

本核數師已完成審核載於第40頁至第126頁按照香港普遍採納之會計原則編製的財務報告。

### 董事及核數師的個別責任

貴公司之董事須負責編製真實與公平的財務報告。在編製真實與公平的財務報表時，董事必須貫徹採用合適的會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離適用會計準則的原因。

我們的責任是根據我們審核工作的結果，對該等財務報表表達獨立的意見，並按照百慕達公司法第90條僅向股東全體報告，除此之外不作其他用途。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。

### 意見的基礎

除我們的工作範圍如下文所闡述受到限制外，我們是按照香港會計師公會頒佈的香港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的有關憑證，亦包括評估董事於編製該等財務報表時所作的重大估計和判斷、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應用並足夠披露該等會計政策。

**Basis of opinion (Continued)**

We planned our audit so as to obtain all the information and explanation 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 as set out below.

**1. Scope limitation – prior year's audit scope limitation affecting opening balances**

We were appointed as auditors during the current year and did not report on the financial statements for the year ended 31st March, 2005. Furthermore, the auditors appointed in respect of the year ended 31st March, 2005 were unable to form an opinion as to whether the financial statements gave a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2005 and of the loss and cash flows of the Group for the year then ended because of the possible effect of the limitations in evidence available to them. Therefore, we are unable to express an opinion on the figures brought forward as at 1st April, 2005 and the comparative figures included in these financial statements.

As explained in notes 2 and 43 to the financial statements and for reasons relating to current legal proceedings in respect of 杭州恆運交通開發有限公司 (the "HZHY"), the subsidiary of the Company, the directors were unable to satisfy themselves as to whether the following amounts included in the consolidated balance sheets as at 31st March, 2005 and 31st March, 2006 were free from material misstatement.

- Property, plant and equipment of HK\$64,460,000;
- Bank balances and cash of HK\$7,217,000;
- Trade and other receivables of HK\$4,303,000;
- Trade and other payables of HK\$58,545,000;
- Deferred tax liability with nil amount;
- Minority interests of HK\$10,241,000.

**意見的基礎 (續)**

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，以能獲得充分的憑證，就該等財務報表是否並無重大錯誤陳述，作出合理的確定。

然而，我們所得的憑證有限，現載列如下。

**1. 審核範圍受限制 – 上年度的審核範圍受限制影響期初結餘**

我們獲委任為年內核數師，並無就截至二零零五年三月三十一日止年度的財務報表作出報告。此外，基於截至二零零五年三月三十一日止年度內獲委任的核數師所得的憑證受到限制可能造成影響，其未能就財務報表能否真實與公平地反映 貴公司及 貴集團於二零零五年三月三十一日的財政狀況以及 貴集團截至該日止年度的虧損及現金流量。因此，我們未能就二零零五年四月一日結轉的數字以及財務報表內載列的比較數額發表意見。

誠如財務報表附註2及43所闡釋，由於有關 貴公司附屬公司杭州恆運交通開發有限公司（「杭州恆運」）目前牽涉法律訴訟之原因，董事無法信納於二零零五年三月三十一日及二零零六年三月三十一日之綜合資產負債表所載以下數額並無重大錯誤陳述：

- 物業、廠房及設備64,460,000港元；
- 銀行結餘及現金7,217,000港元；
- 應收貿易及其他賬項4,303,000港元；
- 應付貿易及其他賬項58,545,000港元；
- 遞延稅項負債零港元；
- 少數股東權益10,241,000港元。

**Basis of opinion (Continued)****1. Scope limitation – prior year's audit scope limitation affecting opening balances (Continued)**

The property, plant and equipment of the HZHY included a toll highway with the net book value of HK\$63,899,000 which had been written down by an impairment loss of HK\$200,000,000 during the year ended 31st March, 2005. The auditors appointed in respect of the year ended 31st March, 2005 were unable to obtain sufficient information and explanations to satisfy themselves as to whether the impairment loss recognised in respect of the toll highway as determined by the directors and the carrying value of the toll highway and the associated deferred tax liability were free from material misstatement. As with previous auditors, the directors were not able to provide us with sufficient information about HZHY's toll highway for us to determine whether the carrying value of the toll highway shown in note 15 to the financial statements was fairly stated.

Accordingly, we were unable to form an opinion as to whether the net assets of the Group as at 31st March, 2005, and the results and cash flows of the Group for the year then ended were free from material misstatement. Any adjustments to the opening net assets of the Group would affect the net loss and cash flows of the Group for the year ended 31st March, 2006.

**意見的基礎 (續)****1. 審核範圍受限制—上年度的審核範圍受限制影響期初結餘 (續)**

杭州恆運之物業、廠房及設備包括收費公路賬面淨值63,899,000港元，該筆款項已於截至二零零五年三月三十一日止年度以一筆減值虧損200,000,000港元撇銷。截至二零零五年三月三十一日止年度獲委任之核數師未能取得充足資料及解釋使彼等信納董事所釐定之已確認收費公路減值虧損及收費公路之賬面值及相關遞延稅項負債是否並無重大錯誤陳述。與前任核數師所遇情況相同，董事未能向我們提供有關杭州恆運收費公路之充足資料，以讓我們釐定財務報表附註15所示收費公路之賬面值是否公平列賬。

因此，我們未能就 貴集團於二零零五年三月三十一日之資產淨值以及 貴集團截至該日止年度之業績及現金流量是否並無重大錯誤陳述提供意見。就 貴集團之期初資產淨值作出調整，將會影響 貴集團截至二零零六年三月三十一日止年度之虧損淨額及現金流量。

**Basis of opinion (Continued)****2. Scope limitation – absence of the financial statements of HZHY for the year ended 31st March, 2006**

As explained in note 2 to the financial statements, the management has been unable to gain access to the books and records HZHY since July 2005 due to the lack of co-operation from management of HZHY. As a result, the consolidated income statement of the Company for the current year has not incorporated the results of HZHY for the year ended 31st March, 2006 and the consolidated balance sheet of the Company as at 31st March, 2006 has only incorporated the balance sheet of HZHY up to 28th February, 2005. The directors are unable to satisfy themselves that the amounts referred to in paragraph 1 above included in the consolidated balance sheet as at 31st March, 2006 were free from material misstatement. The directors were also unable to satisfy themselves as to the validity and completeness of the amounts attributable to HZHY included in the notes to the financial statements, including but not limited to the disclosure of commitments, pledge of assets and contingent liabilities.

Therefore, adequate audit evidence to satisfy ourselves as to the nature, completeness, appropriateness, classification and disclosure in respect of the transactions undertaken by HZHY as included in the Group's financial statements is not available. For the same reasons, we have been unable to satisfy ourselves that (i) whether those disclosures which had incorporated the amounts referred to in paragraph 1 above and the corresponding cash flows and operating results arising from the operations of HZHY which are omitted from the consolidated cash flow statements and consolidated income statement respectively, are fairly stated; and (ii) whether those segmental information disclosures as shown in note 7 to the financial statements are reliable and adequate.

**意見的基礎 (續)****2. 審核範圍受限制 – 並無杭州恆運截至二零零六年三月三十一日止年度之財務報表**

誠如財務報表附註2所闡釋，由於杭州恆運之管理層未能合作，故此管理層從二零零五年七月起無法取得杭州恆運之賬冊及記錄。因此，貴公司本年度之綜合收益表並無載列杭州恆運截至二零零六年三月三十一日止年度之業績，而貴公司於二零零六年三月三十一日之綜合資產負債表僅載列杭州恆運直至二零零五年二月二十八日之資產負債表。董事無法使彼等信納於二零零六年三月三十一日之綜合資產負債表所載列上文第1段所述金額並無重大錯誤陳述。董事亦未能信納財務報表附註中包括但不限於有關承擔、資產抵押及或然負債之披露所載杭州恆運應佔金額之有效性及完備性。

因此，我們並無獲得足以令我們信納貴集團財務報表所載杭州恆運進行交易之性質、完備性、適合性、類別及披露事項所需之充份審核憑證。基於相同理由，我們無法使我們信納(i)已載列上文第1段所述金額的披露事項，以及綜合現金流量表及綜合收益表並無載列杭州恆運業務所產生之相應現金流量及經營業績，是否公平地列賬；以及(ii)財務報表附註7所示該等分類資料之披露是否可靠及足夠。

**Basis of opinion** (Continued)**2. Scope limitation – absence of the financial statements of HZHY for the year ended 31st March, 2006**

(Continued)

There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to the matters above. Any adjustments to the figures would have a consequential effect on the Group's net assets as at 31st March, 2006 and the loss and cash flows for the year then ended and the related disclosures thereof in these financial statements.

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 reasonable basis for our opinion.

**Disclaimer of opinion**

Because of the significance of the possible effect of the limitations in evidence available to us referred to in the basis of opinion section of this report, 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 the Group as at 31st March, 2006 or 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 limitations on our work as set out in the basis of opinion section of this report:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper books of accounts had been kept.

**Ting Ho Kwan & Chan**

Certified Public Accountants (practising)

Hong Kong, 27th July, 2006

**意見的基礎** (續)**2. 審核範圍受限制 – 並無杭州恆運截至二零零六年三月三十一日止年度之財務報表** (續)

我們並無其他可供採納以使我們信納上述事宜之審核程序。就上述數字作出任何調整，將會對貴集團於二零零六年三月三十一日之資產淨值及貴集團截至該日止年度之虧損及現金流量，以及財務報表中之相關披露造成重大影響。

在表達意見時，我們亦已衡量該等財務報表所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立了合理的基礎。

**意見之免責聲明**

由於本報告書「意見的基礎」一節所述我們所獲得之憑證受限制可能有重大影響，我們無法就財務報表能否真實與公平地反映貴公司及貴集團於二零零六年三月三十一日的財政狀況或貴集團截至該日止年度的虧損和現金流量發表意見。就所有其他方面而言，我們認為財務報表已按照香港公司條例之披露要求而妥善編製。僅就本報告書「意見的基礎」部分所載我們之工作受限制而言：

- 我們並未獲得我們認為就審核工作所需之一切資料及解釋；及
- 我們無法確定是否已存置適當之賬冊。

**執業會計師**

丁何關陳會計師行

香港，二零零六年七月二十七日