



德勤·關黃陳方會計師行

Certified Public Accountants
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**Deloitte
Touche
Tohmatsu**

TO THE MEMBERS OF
TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED
(incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 19 to 50 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 statements and to report our opinion to you.

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 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.

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.



OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March, 2001 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.

Without qualifying our opinion, we draw attention to note 7 to the financial statements which explains that the comparative figures set out in the consolidated income statement for the year ended 31st March, 2001 include the combined profit of approximately HK\$94,434,000 in respect of subsidiaries engaged in the printed circuit board business which were disposed of in August 1999. As the amount so included was based on the unaudited management accounts of the subsidiaries concerned, we were unable to satisfy ourselves as to whether this amount and the associated profit on disposal of approximately HK\$1,296,778,000 were fairly stated. However, any adjustment found to be necessary would affect only the classification of the consolidated income statement for the year ended 31st March, 2000 as between the above amounts and, accordingly, would have no overall effect on the Group's profit for that year.

DELOITTE TOUCHE TOHMATSU

Certified Public Accountants

Hong Kong, 6th July, 2001