

**德勤 • 關黃陳方會計師行**

Certified Public Accountants  
26/F, Wing On Centre  
111 Connaught Road Central  
Hong Kong

香港中環干諾道中111號  
永安中心26樓

**Deloitte  
Touche  
Tohmatsu****TO THE SHAREHOLDERS OF WAH TAK FUNG HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

We have audited the financial statements on pages 19 to 56 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 the 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.

**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 explain that events of default have arisen under certain bank loans and credit facility agreements such that the relevant bank borrowings have become repayable on demand and have been classified as current liabilities. Although as explained in note 38, the Group has disposed of certain properties subsequent to the balance sheet date to realise the value of such properties to meet the relevant financial obligations and liabilities of the Group, the Group remains dependent upon the continued support of its bankers.

## AUDITORS' REPORT

Against this background, the directors of the Company are actively holding negotiations with the Group's bankers regarding the rescheduling of the Group's remaining borrowings and at the same time to obtain additional finance for the Group. Provided that the negotiations with the Group's bankers can be successfully completed, the directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. The financial statements have been prepared on a going concern basis, the validity of which depends upon future fundings being available. The financial statements do not include any adjustments that would result from a failure to obtain such funding. We consider that the fundamental uncertainty has been adequately disclosed in the financial statements and our opinion is not qualified in this respect.

### FUNDAMENTAL UNCERTAINTY RELATING TO THE VALUATION OF INVESTMENTS IN SECURITIES

In forming our opinion, we have considered the adequacy of the disclosures made in note 17 to the financial statements which explain that no impairment loss has been recognised in respect of the Group's investment in Hong Kong Satellite Technology Holdings Limited ("Hong Kong Satellite") which is stated at cost of HK\$140,400,000 as at March 31, 2003 on the basis that Hong Kong Satellite will be able to secure the required funds to develop its satellite communications platform in accordance with its business plan and projection. We consider that the fundamental uncertainty has been adequately accounted for and disclosed 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 the Group at March 31, 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.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong, July 25, 2003