

Report of the Auditors 核數師報告書



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

We have audited the financial statements on pages 31 to 110 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 Society of 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.

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.

致：珠光發展有限公司股東
(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「我們」)已完成審核載於第31頁至第110頁按照香港公認會計原則編製的財務報表。

董事與核數師各自的責任

貴公司董事須負責編製真實與公平的財務報表，在編製該等財務報表時，董事必須貫徹採用合適的會計政策。我們的責任是根據我們審核工作的結果，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》第九十條的規定，僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔任何責任。

意見的基礎

我們是按照香港會計師公會頒布的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。

我們在策劃和進行審核工作時，均以取得一切我們認為必需的資料及解釋為目標，使我們能獲得充分的憑證，就該等財務報表是否有重大錯誤陳述，作出合理的確定。在作出意見時，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合理的基礎。

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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, two shareholders of the Company (the “Controlling Shareholders”), holding indirectly an aggregate equity interest of approximately 71.7% in the Company (the “Controlling Shares”), are the subject of winding-up petitions filed by one of their creditors in the High Court of Hong Kong (the “High Court”). In addition, a registered shareholder of the Company incorporated in the British Virgin Islands (the “Registered Shareholder”), which is a wholly-owned subsidiary of one of the Controlling Shareholders and holds approximately 42.2% equity interest in the Company, is also the subject of a voluntary winding-up petition filed by the provisional liquidators of its shareholder in the High Court and the Court of the British Virgin Islands (the “BVI Court”). Provisional liquidators were appointed by the High Court and/or the BVI Court to safeguard the assets of the Controlling Shareholders and the Registered Shareholder for the benefit of the creditors in general. Subsequent to the balance sheet date, a winding-up order was granted by the Court of First Instance of the Macau Special Administrative Region (the “Macau Court”) against one of the Controlling Shareholders. A liquidator has been or will be appointed by the Macau Court, who has taken over or will take over the management of that shareholder.

Notwithstanding the above, out of the 573 million shares in the Company indirectly held by the Controlling Shareholders, 572.2 million shares have been pledged in previous years. These include 337 million shares held by the Registered Shareholder which have been charged in previous years in favour of a wholly-owned subsidiary of the joint venture partner of the Group’s jointly-controlled entity (the “Chargee”), and a dispute has arisen between the Chargee and the provisional liquidators over the proposed transfer of such shares by the Chargee during the year.

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

有關持續經營基準的不明朗因素

在達致意見時，我們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的披露是否足夠。按財務報表附註3所述，本公司兩名股東（「控股股東」，合共間接持有本公司股本權益約71.7%（「控股股份」），正面臨彼等其中一名債權人向香港高等法院（「高院」）提出的清盤呈請。此外，本公司一名於英屬處女群島註冊成立之註冊股東（「註冊股東」，為其中一名控股股東之全資附屬公司，持有本公司股本權益約42.2%），亦正面臨其股東之臨時清盤人向高院及英屬處女群島法院（「BVI法院」）提出的清盤呈請。高院及／或BVI法院已委任臨時清盤人保護控股股東及註冊股東的資產，以保障債權人的一般利益。於結算日後，澳門特別行政區初級法院（「澳門法院」）向其中一名控股股東頒佈清盤令。澳門法院已經或將會委任一名清盤人，該清盤人已經或將會接手該名股東的管理。

儘管有上文所述者，貴公司由控股股東間接持有之573,000,000股股份中，有572,200,000股股份已於過去數年被抵押，當中包括由註冊股東持有之337,000,000股股份，該等股份已於過去數年被押記予貴集團之共同控制實體之合營夥伴之全資附屬公司（「承押記人」），而年內出現承押記人與臨時清盤人就承押記人擬轉讓該等股份之爭議。

控股股份之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。

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UNCERTAINTY RELATING TO GOING CONCERN BASIS (Continued)

The financial statements have been prepared on a going concern basis, the validity of which depends upon the decision of the bankers, creditors and provisional liquidators of the Controlling Shareholders 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 Controlling Shares. The financial statements do not include any adjustments that may be necessary should decisions be subsequently taken by the bankers, creditors and provisional liquidators of the Controlling Shareholders 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.

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 2004 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

Certified Public Accountants

Hong Kong
26 August 2004

有關持續經營基準的不明朗因素 (續)

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控股股東及／或註冊股東的往來銀行、債權人及臨時清盤人對 貴集團業務及財務運作因各項清盤呈請及／或控股股份之註冊持有人之任何日後變動的未來取向的決定。該等財務報表並無就控股股東及／或註冊股東的往來銀行、債權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的能力作出任何可能必須作出的調整。有關該等不明朗因素之情況詳述於財務報表附註3。我們認為，該等財務報表內已作出適當估計及披露，因此並無保留意見。

意見

我們認為，上述的財務報表真實與公平反映 貴公司及 貴集團於二零零四年四月三十日的財政狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

安永會計師事務所

執業會計師

香港
二零零四年八月二十六日