

Report of the Auditors

核數師報告



TO THE SHAREHOLDERS OF PLUS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 27 to 79 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 accounts and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, 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 the Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants, except that the scope of our work was limited as explained below.

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.

致普納集團有限公司各股東

(於百慕達註冊成立之有限公司)

本核數師(「以下簡稱「我們」)已審核載於第27頁至第79頁按照香港公認會計原則編製的財務報表。

董事及核數師各自的責任

貴公司董事須負責編製真實及公平的財務報表。在編製該等真實而公平的財務報表時，董事必須選擇及貫徹採用合適的會計政策。

我們的責任是根據我們審核賬項的結果，對該等賬項作出獨立意見，並按照百慕達1981年公司法第九十條的規定，只向整體股東作出報告。除此之外，我們的報告不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔責任。

意見的基礎

我們已按照香港會計師公會頒佈的核數準則進行審核工作，惟我們的工作範圍受下文所述事項限制。

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的重大估計及判斷，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採用並充份披露該等會計政策。

We planned 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. However, the evidence available to us was limited as explained as below.

There was an amount of HK\$16,130,000 included in the consolidated balance sheet as at 31 March 2005 in respect of goodwill arising from acquisition of a subsidiary in prior year. The operation of that subsidiary was ceased as a result of the restructuring of the Group's financing. Due to the lack of relevant information, we are unable to determine the amount of impairment loss to be made for the goodwill.

We have also considered the adequacy of the disclosures made in the financial statements which explains that the Group is in the progress of implementing measures to improve its current financial liquidity. For the year ended 31 March 2005, the Group reported a loss attributable to shareholders of HK\$13,738,000. As at 31 March 2005, the Group had a capital deficiency of HK\$24,568,000 and net current liabilities of HK\$33,587,000. During the year, the Group had overdue borrowings totaling HK\$41,867,000. As a consequence the related borrowings have been classified as current liabilities in the financial statements as at 31 March 2005.

The Group is still negotiating with creditors to reschedule the repayment terms of the existing borrowings. In addition, the Group is in the process of negotiating with the bondholder to extend the maturity date of the convertible bonds. Accordingly, we were unable to assess the validity of the directors' assumptions that the Group is a going concern and able to pay its liabilities as they fall due for the foreseeable future.

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，以便獲得充份的憑證，就該等財務報表是否存有重大錯誤陳述，作出合理的確定。然而，我們所獲的憑證受到下述限制。

貴集團截至2005年3月31日的綜合資產負債表上，於以往會計年度收購附屬公司時所呈現的商譽共16,130,000港元。基於貴集團正進行財務重組，該附屬公司之業務已停頓。由於我們未能取得有關資料，故此我們無法確定對商譽應作之減值虧損。

我們已考慮到財務報表所披露資料是否足夠，當中闡述貴集團正實施改善其現時財務流動資金的措施。截至2005年3月31日止年度，貴集團產生股東應佔綜合虧損為13,738,000港元。於2005年3月31日，貴集團之股東資金虧絀為24,568,000港元，流動負債淨值為33,587,000港元。本年度，貴集團之逾期借貸合共41,867,000港元，因此相關借貸於2005年3月31日之財務報表中歸納為流動負債。

貴集團現正與其債權人磋商安排現有借貸之還款期限。此外，貴集團正與其可換股債權人磋商，延長可換股債券之到期日。有鑑於此，我們未能評估董事對貴集團能持續經營及能夠在可見將來清償債務之論點的真確性。

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There were no other satisfactory audit procedures that we could adopt to satisfy ourselves as to these matters, which may have a consequential effect on the Group's loss for the year and net liabilities at 31 March 2005.

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.

DISCLAIMER OF OPINION

Because of the significance of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 31 March 2005 and 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 limitation on our work relating to the goodwill, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

Morison Heng

Chartered Accountants

Certified Public Accountants

Hong Kong, 14 November 2005

並無其他令人滿意的審核程序，可供我們採用以令我們確定上述所載的事項。倘對上述數字作出任何調整，均會影響貴集團於2005年3月31日的負債淨值及截至該日止年度的虧損。

在作出意見時，我們亦已衡量該等財務報表所載之資料在整體上是否足夠。我們相信，我們之審核工作已為下列意見提供合理之基礎。

未能發表意見

鑑於提供予我們的憑證有所限制而可能產生之影響重大，我們未能就財務報表是否真實及公平地載列貴公司及貴集團於2005年3月31日之財務狀況及貴集團於截至該日止年度之虧損及現金流量表達意見。就其他方面而言，我們認為，該等財務報表已根據香港公司條例之披露規定適當地編製。

僅就我們於有關商譽所載列的審核範圍所受限制而言，我們並未取得我們認為進行審核工作必需之全部資料及解釋。

華利信會計師事務所

英國皇家特許會計師

香港執業會計師

香港，2005年11月14日