

AUDITORS' REPORT

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

TO THE MEMBERS OF CHINESE ESTATES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 55 to 124 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, 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 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.

核數師報告書

Deloitte Touche Tohmatsu

致 CHINESE ESTATES HOLDINGS LIMITED 之股東

(於百慕達註冊成立之有限公司)

本核數師已將刊於第 55 頁至第 124 頁內根據香港公認之會計原則編製之財務報表審核完畢。

董事及核數師之個別責任

貴公司董事須負責編製真實而公正之財務報表。在編製該等真實而公正之財務報表時，董事必須貫徹採用合適之會計政策。

本行之責任是根據審核工作之結果，對該等財務報表作出獨立意見，並根據百慕達公司法第 90 條向整體之股東作出報告，而不會作其他用途。本行概不就本報告書之內容而向任何其他人士負責或承擔任何責任。

意見之基礎

本行乃按照香港會計師公會所頒布之核數準則進行是次審核工作。審核工作範圍包括以抽查方式審核與財務報表內所載各數額及披露事項有關之憑證，並包括評估董事於編製該等財務報表時所作出之各項重大估計及判斷，及衡量究竟其所釐定之會計政策是否適合貴公司及貴集團之具體情況，及是否貫徹地被應用並足夠地予以披露。

AUDITORS' REPORT

Basis of opinion (cont'd)

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 December, 2003 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.

Deloitte Touche Tohmatsu

Hong Kong, 29th March, 2004

核數師報告書

意見之基礎(續)

本行在策劃及進行審核工作時，均以取得一切認為必需之資料及解釋為目標，使能為本行提供充份之憑證，就該等財務報表是否存有重大之錯誤陳述，作合理之確定。於作出意見時，本行亦衡量該等財務報表內所載之資料在整體上是否足夠，本行相信，本行之審核工作已為核數意見建立合理之基礎。

意見

本行認為財務報表足以真實而公正地顯示貴公司及貴集團於二零零三年十二月三十一日結算時之財務狀況及貴集團截至該日止年度之溢利及現金流量，並根據香港公司條例之披露規定適當編製。

德勤•關黃陳方會計師行

香港，二零零四年三月二十九日