

AUDITORS' REPORT

Deloitte Touche
Tohmatsu

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

德勤·關黃陳方會計師行
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)

致：**CHINESE ESTATES HOLDINGS LIMITED**
之股東
(於百慕達註冊成立之有限公司)

We have audited the financial statements on pages 48 to 95 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

本核數師已將刊於第48頁至第95頁內根據香港公認之會計原則編製之財務報表審核完畢。

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

董事及核數師之個別責任

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.

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。

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

本核數師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，並將此意見向股東報告。

BASIS OF OPINION

意見之基礎

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 judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Group and the Company, consistently applied and adequately disclosed.

本核數師乃按照香港會計師公會所頒佈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 貴集團及 貴公司之情況，貫徹地被運用及有否足夠地予以披露。

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 Group and the Company as at 31st December, 1999 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, 27th April, 2000

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

意見

本核數師認為財務報表足以真實而公正地顯示貴集團及貴公司於一九九九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，二零零零年四月二十七日