



**AUDITORS' REPORT TO THE SHAREHOLDERS OF
CHINA EVERBRIGHT INTERNATIONAL LIMITED**
(Incorporated in Hong Kong with limited liability)

We have audited the accounts on pages 31 to 93 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The Hong Kong Companies Ordinance requires the directors to prepare accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

致中國光大國際有限公司
(於香港註冊成立的有限公司)
各股東之核數師報告：

本核數師(以下簡稱「我們」),已審核刊於第31頁至第93頁按照香港公認會計原則編製的賬項。

董事及核數師的責任

香港《公司條例》規定董事須編製真實與公平的賬項。在編製該等賬項時,董事必須貫徹採用合適的會計政策,作出審慎及合理的判斷和估計,並說明任何重大背離現行會計準則的原因。

我們的責任是根據我們審核工作的結果,對該等賬項作出獨立意見,並向股東報告。

意見的基礎

我們是按照香港會計師公會頒佈的核數準則進行審核工作。審核範圍包括以抽查方式查核與賬項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賬項時所作的主要估計和判斷、所釐定的會計政策是否適合 貴公司及 貴集團的具體情況、及有否貫徹運用並足夠披露該等會計政策。

我們在策劃和進行審核工作時,均以取得一切我們認為必須的資料及解釋為目標,使我們能獲得充份的憑證,就該等賬項是否存有重要錯誤陳述,作合理的確定。在作出意見時,我們亦已衡量該等賬項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。

Fundamental uncertainty

The Group has a 35% equity interest in Hong Kong Construction (Holdings) Limited (“HK Construction”) which is engaged in construction, and property development and investment. The accounts of HK Construction and its subsidiaries (the “HK Construction group”) for the year ended 31 December 2000, on which the amounts of the Group’s share of the associate’s loss for the year ended 31 December 2000 and net assets as at that date were based, have been prepared on a going concern basis, the validity of which depends upon the ongoing support of the HK Construction group’s bankers and the successful outcome of its restructuring plan. The accounts of the HK Construction group do not include any adjustments that would result from a failure to obtain such support and to implement the restructuring plan. As there is an indication of impairment in value of the Group’s interest in HK Construction, a provision has been made to reduce the carrying value of such interest to its estimated recoverable amount on the basis that the HK Construction group will be able to continue in business as a going concern. No adjustments relating to the HK Construction group not being able to continue in business as a going concern have been made to the estimated recoverable amount. Details of the circumstances relating to this fundamental uncertainty relating to HK Construction are described in note 14(a) on the accounts. In forming our opinion, we have considered the adequacy of the disclosures made in the accounts in this connection. We consider that the fundamental uncertainty has been adequately accounted for and disclosed in the accounts and our opinion is not qualified in this respect.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2000 and of the Group’s loss and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants

Hong Kong, 25 May 2001

基本不明朗因素

本集團擁有香港建設(控股)有限公司(「香港建設」)35%股本權益。香港建設之業務為建設及房地產開發及投資。香港建設及其附屬公司(「香港建設集團」)於截至二零零零年十二月三十一日止年度之賬項(本集團所佔聯營公司截至二零零零年十二月三十一日止年度之虧損金額及截至該日之資產淨值據此計算)乃按持續經營基準擬備,其有效性取決於香港建設集團之往來銀行是否繼續支持及其重組計劃能否取得成功。香港建設集團之賬項並未計入倘未能取得上述支持及未能實施重組計劃所引至之任何調整。由於有跡象顯示本集團於香港建設之權益出現減值,故已按香港建設集團仍可持續經營其業務之基準作出撥備,把有關權益之賬面值減低至其估計可收回金額。並無對估計可收回金額作出有關香港建設集團未能持續經營其業務之調整。有關此項涉及香港建設之基本不明朗因素之詳情載於賬項附註十四(a)。在作出意見時,我們已考慮是否已就此在賬項內作出充份披露的問題。我們認為,已於賬項內充份交代及披露基本不明朗因素及我們並無就此作出保留意見。

意見

我們認為在各重要方面而言,上述的賬項均真實與公平地反映 貴公司及 貴集團於二零零零年十二月三十一日的財政狀況及 貴集團截至該日止年度的虧損和現金流量,並已按照香港《公司條例》適當編製。

畢馬威會計師事務所

執業會計師

香港,二零零一年五月二十五日