

REPORT OF THE AUDITORS

核數師報告



Chartered Accountants
Certified Public Accountants

**TO THE MEMBERS OF
KENFAIR INTERNATIONAL (HOLDINGS) LIMITED**
(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 43 to 80 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 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 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 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.

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 31 March 2004 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 27 July 2004



英國特許會計師
香港執業會計師

致：建發國際(控股)有限公司
(於開曼群島註冊成立之有限公司)
各股東

本核數師(以下簡稱「我們」)已審核刊於第43頁至第80頁按照香港普遍接納的會計準則編製的財務報表。

董事及核數師之個別責任

貴公司董事有責任編製真實及公平的財務報表。在編製該等真實及公平的財務報表時，董事必須採用並貫徹應用合適的會計政策。

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，並就此向整體股東報告。

意見之基礎

我們是按照香港會計師公會頒佈的審計準則進行審核工作。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財務報表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，以及有否貫徹應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，是以取得一切我們認為必需的資料及解釋為目標，使我們能獲得充份的憑證，就財務報表是否存在重大的錯誤陳述，作出合理確定。在提出意見時，我們亦已衡量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。

意見

我們認為，上述的財務報表均真實和公平地反映貴公司及貴集團於二零零四年三月三十一日的業務狀況和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》之披露規定適當地編製。

國衛會計師事務所
英國特許會計師
香港執業會計師

香港，二零零四年七月二十七日