

REPORT OF THE AUDITORS 核數師報告書



AUDITORS' REPORT TO THE SHAREHOLDERS OF HONG KONG CONSTRUCTION (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the accounts on pages 44 to 128 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.

核數師報告書

致香港建設(控股)有限公司各股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核刊於第44頁至第128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。在編製這些賬項時，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適用會計準則的原因。

我們的責任是根據我們審核工作的結果，對這些賬項提出獨立意見，並向股東報告。

意見的基礎

我們是按照香港會計師公會頒布的《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，以及有否貫徹運用並足夠披露這些會計政策。



REPORT OF THE AUDITORS *(continued)* 核數師報告書 (續)

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.

FUNDAMENTAL UNCERTAINTY

In forming our opinion we have considered the adequacy of the disclosures made in the accounts concerning the continued support of the group's bankers and the ability of the group to obtain sufficient external funding. The accounts have been prepared on a going concern basis, the validity of which depends upon the ongoing support of the group's bankers and the successful outcome of the group's restructuring plan. The accounts do not include any adjustments that would result from a failure to obtain such support and to implement the restructuring plan. Details of the circumstances relating to this fundamental uncertainty are described in note 1(b) to the accounts. 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 31st 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, 25th May, 2001

我們在策劃和進行審核工作時，是以取得一切我們認為必須的資料及解釋為目標，使我們能獲得充分的憑證，就賬項是否存在重大的錯誤陳述，作合理的確定。在提出意見時，我們亦已衡量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。

重大不確定性

在提出意見時，我們已考慮到貴集團之銀行債權人的繼續支持以及貴集團取得充分的外來資金的能力之披露是否足夠。賬項乃按持續基準編制，其準確性有賴貴集團銀行債權人的持續性支持及貴集團之重組計劃最後取得的成果。有關這重大不確定性的詳情已在賬項附註(1)(b)內敘述。此份賬項不包括貴集團可能沒有債權人支持以及重組計劃失敗的任何調整。我們認為已就重大不確定性作出適當的披露，故此，在此方面之意見並無保留。

意見

我們認為，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和貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》適當地編製。

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