

Report of 核數師報告書 the Auditors

致九龍建業有限公司各股東
(於香港註冊成立之有限公司)

本核數師已審核刊於第38至第87頁按照香港公認會計原則編製之帳項。

董事及核數師之責任

香港《公司條例》規定董事須編製真實和公允之帳項。在編製該等帳項時，董事必須貫徹採用合適之會計政策，作出審慎而合理之判斷及估計，並說明任何重大背離適用會計準則之原因。

本核數師的責任是根據我們審核工作的結果，對這些帳項提出獨立意見，並按照香港《公司條例》第141條的規定，只向作為法人團體的股東報告。除此以外，本核數師的報告書不可用作其他用途。本核數師概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

意見之基礎

本核數師乃按照香港會計師公會頒佈之《核數準則》進行審核工作。審核範圍包括以抽查方式查核與帳項所載數額及披露事項有關之憑證，亦包括評估董事於編製該等帳項時所作之主要估計及判斷、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有否貫徹運用並足夠披露該等會計政策。

本核數師於策劃及進行審核工作時，是以取得一切認為必須之資料及解釋為目標，使能獲得充分之憑證，從而就該等帳項是否存在重大錯誤陳述作合理之確定。在提出意見時，本核數師亦已衡量該等帳項所載資料在整體上是否足夠。本核數師相信審核工作已為下列意見建立合理之基礎。

意見

本核數師認為上述帳項均真實和公允地反映 貴公司及 貴集團於二零零三年十二月三十一日之財政狀況及 貴集團截至該日止年度之盈利及現金流量，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，二零零四年三月二十九日

To the Shareholders of
Kowloon Development Company Limited
(Incorporated in Hong Kong with limited liability)

We have audited the accounts on pages 38 to 87 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 solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, 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 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 assurances 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.

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 2003 and of the Group's profit 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, 29 March 2004