

ARTHUR ANDERSEN

Arthur Andersen & Co

21st Floor, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

TO THE SHAREHOLDERS OF PROSPER EVISION LIMITED
(Formerly known as China Prosperity Holdings (Hong Kong) Limited)
(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 20 to 58 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

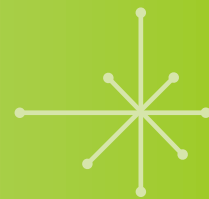
The Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those 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 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 Company and the Group, 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.



FUNDAMENTAL UNCERTAINTY

The Group has an investment in associates with a carrying value of approximately HK\$78 million as at December 31, 2000. This investment relates to the Group's 33% equity interest in CVN Group Inc. which is engaged in the development of a broadband interactive multimedia project, known as the CVN project. In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the substantial amount of financing required to successfully carry out the CVN project. If the CVN project cannot ultimately secure the necessary financing, then there is substantial doubt about the future of the CVN project and consequently, there may be a need to adjust the carrying value of the investment in associates to recognize an impairment in value. We considered that the fundamental uncertainty has been adequately accounted for and disclosed in the financial statements and our opinion is not qualified in this respect.

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 December 31, 2000 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Ordinance.

ARTHUR ANDERSEN & CO

Certified Public Accountants

Hong Kong,
April 20, 2001