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**AUDITORS' REPORT TO THE SHAREHOLDERS OF
YEW SANG HONG (HOLDINGS) LIMITED**

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 106 to 112 of Yew Sang Hong (Holdings) Limited ("the Company") which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors of the Company 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 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, consistently applied and adequately disclosed.

致耀生行(集團)有限公司全體股東之核數師報告

(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已完成審核第106至112頁所載之耀生行(集團)有限公司(「貴公司」)之財務報表乃按照香港普遍採納之會計原則編撰。

董事及核數師各自之責任

貴公司董事之職責是要編撰真實而公平之財務報表。在編撰該等財務報表時，董事必須貫徹選用合適之會計政策。

我們之責任乃根據我們審核工作之結果，對該等財務報表作出獨立意見，並向股東報告。

意見之基礎

我們按照香港會計師公會所頒佈之核數準則進行審核工作。審核工作範圍包括以抽查方式查核與財務報表所載各數額及披露事項有關之憑證，亦包括評估董事於編撰該等財務報表時所作之各重大估計及判斷，及其所釐定之會計政策是否適合 貴公司之具體情況及有否貫徹運用並足夠披露該等會計政策。



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 as at 31st March, 2001 and of its loss and cash flows for the period from 2nd January, 2001 (date of incorporation) to 31st March, 2001 and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

ARTHUR ANDERSEN & CO
Certified Public Accountants

Hong Kong,
27th July, 2001.

我們在策劃及進行審核工作時，均以取得一切我們認為必須之資料及解釋為目標，使我們能獲得充份之憑證，就該等財務報表是否存有重大之錯誤陳述，作出合理之確定。於作出意見時，我們已衡量該等財務報表所呈列之資料在整體上是否足夠。我們相信，我們之審核工作已為下列意見建立合理之基礎。

意見

我們認為，上述之財務報表足以真實而公平地反映 貴公司於二零零一年三月三十一日之財務狀況及 貴公司於二零零一年一月二日（註冊成立日期）至二零零一年三月三十一日期間之虧損及現金流量，並根據香港公司條例之披露規定適當編撰。

安達信公司
執業會計師

香港，
二零零一年七月二十七日