

Auditors' Report



Arthur Andersen & Co

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

Tel 852 2852 0222
Fax 852 2815 0548

TO THE SHAREHOLDERS OF VST HOLDINGS LIMITED 偉仕控股有限公司
(Incorporated in the Cayman Islands with limited liability)

We have audited the balance sheet of VST Holdings Limited 偉仕控股有限公司 (the "Company") on pages 27 to 30, which has 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 the balance sheet which give a true and fair view. In preparing the balance sheet 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 balance sheet. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the balance sheet, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 balance sheet is free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the balance sheet. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the balance sheet gives a true and fair view of the state of affairs of the Company as at March 31, 2002 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,
June 27, 2002.