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**Deloitte
Touche
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TO THE SHAREHOLDERS OF
WANG SING INTERNATIONAL HOLDINGS GROUP LIMITED
旺城國際控股集團有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 28 to 56 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for the preparation of the 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, except that the scope of our work was limited as explained below.

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 judgments 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 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. However, the evidence available to us was limited as set out below.

1. As explained in note 2 to the financial statements, since the resignation of the former executive director, despite their best endeavors and having obtained certain information from Hai An Xian Electronic Meter Factory and Hai An Xian Tian Yuan Power Tools Manufacture Company Limited (together the "Subcontractors"), the directors have been unable to obtain all the necessary information required for the preparation of the financial statements.
 - (i) Based on the latest information available to the directors, the Subcontractors have been withholding inventories of approximately HK\$14,531,000 of Jiangsu Golden Harbour Enterprises Ltd. and this amount has been included in the financial statements as at 31 December 2002. However, the directors were unable either to physically verify such inventories as at 31 December 2002 or to satisfy themselves as to whether there have been any subsequent sales of such inventories which should have been recorded in the financial statements for the year ended 31 December 2002.

BASIS OF OPINION (continued)

- (ii) The directors are currently investigating whether the sum of HK\$17,855,000, included in trade and other receivables, relating to sales of goods manufactured by the Subcontractors and which remain unsettled, may, in whole or in part, have been collected by the Subcontractors.

In addition, we were unable either to obtain direct confirmations for these trade receivables or to otherwise satisfy ourselves that the sum of HK\$17,855,000 was properly recorded as at 31 December 2002. Against this background, we were unable to satisfy ourselves that inventories, sales, cost of sales and trade and other receivables included in the financial statements are free from material misstatement.

2. We were unable to obtain direct confirmations of the amount due from a former director and of the amounts due to companies owned by a former director as shown on the balance sheet as at 31 December 2002. As a result, we were unable to satisfy ourselves that such balances were properly recorded in the balance sheet as at 31 December 2002 or as to accuracy of the related disclosures.

Any adjustments to the above figures would affect the net assets of the Group as at 31 December 2002 and its profit and cash flows for the year then ended.

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.

QUALIFIED OPINION ARISING FROM LIMITATIONS OF AUDIT SCOPE

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the matters described in the basis of opinion section of this report, in our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2002 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

In respect alone of the limitations on our work relating to the matters described in the basis of opinion section of this report:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper books of account had been kept.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 24 April 2003