

Auditors' Report

RSM! Nelson Wheeler

羅 申 美 會 計 師 行

Certified Public Accountants

To the shareholders of

VISION GRANDE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 32 to 39 which have been prepared in accordance with accounting principles generally accepted in Hong Kong. We have also audited the proforma financial information on pages 41 to 78. The proforma financial information has been prepared in accordance with the "Basis of presentation of the proforma financial information" set out on page 40 and the accounting policies set out on pages 48 to 55.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of financial statements and proforma financial information which give a true and fair view. In preparing financial statements and proforma financial information 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 the financial statements and proforma financial information to report our opinion solely to you, as a body, 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 financial statements and proforma financial information. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and proforma financial information, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

Auditors' Report

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 and proforma financial information are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and proforma financial information. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion

- (a) the financial statements set out on pages 32 to 39 give a true and fair view of the state of the Company's affairs as at 31 December 2003 and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.
- (b) the proforma financial information set out on pages 41 to 78 has been properly prepared in accordance with the "Basis of presentation of the proforma financial information" set out on page 40 and the accounting policies set out on pages 48 to 55 and, on that basis, gives a true and fair view of the state of the Group's affairs as at 31 December 2003 and of its results and cash flows for the year then ended as if the Group's reorganisation had been effected on 31 December 2003 and the group structure had been in existence then.

RSM Nelson Wheeler

Certified Public Accountants

Hong Kong, 26 April 2004