

Auditors' Report



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor Prince's Building
Central Hong Kong

AUDITORS' REPORT TO THE DIRECTORS OF ECOGREEN FINE CHEMICALS GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the proforma consolidated accounts of EcoGreen Fine Chemicals Group Limited ("the Company") and its subsidiaries (together "the Group") on pages 33 to 71 which have been prepared in accordance with the accounting policies set out in Note 2 to the proforma consolidated accounts, which comply with accounting principles generally accepted in Hong Kong, except that the effect of the group reorganisation entered into after the balance sheet date has been accounted for using merger accounting, which is not in accordance with the requirements of Statement of Standard Accounting Practice Number 27 "Accounting for group reconstructions" ("SSAP 27") issued by the Hong Kong Society of Accountants. Although the group reorganisation meets the definition of a group reconstruction under SSAP 27, SSAP 27 specifies that the accounts should not incorporate a combination which occurs after the date of the most recent balance sheet included in the accounts.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of proforma consolidated accounts which are properly prepared in accordance with the accounting policies set out in Note 2 to the proforma consolidated accounts. In preparing such proforma consolidated accounts 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 proforma consolidated accounts and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, 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 proforma consolidated accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the proforma consolidated accounts, and of whether the accounting policies are appropriate to the circumstances of 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 proforma consolidated accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the proforma consolidated accounts. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the proforma consolidated accounts as at and for the year ended 31st December 2003 have been properly prepared in accordance with the accounting policies set out in Note 2 to the proforma consolidated accounts and the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 20th April 2004