

Deloitte.

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**TO THE MEMBERS OF
KINGBOARD CHEMICAL HOLDINGS LIMITED**
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Kingboard Chemical Holdings Limited (the "Company") and its subsidiaries (the "Group") from pages 52 to 146 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's directors are responsible for the preparation of consolidated financial statements which give a true and fair view. In preparing consolidated 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 financial statements and 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 Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the circumstances of the Group, consistently applied and adequately disclosed.

致
建滔化工集團股東
(於開曼群島註冊成立之有限公司)

本核數師行已完成審核建滔化工集團(「貴公司」)及其附屬公司(「貴集團」)載於第52頁至第146頁,按照香港普遍採納的會計原則編製的綜合財務報表。


董事及核數師各自的責任

貴公司董事須負責編製真實與公平的綜合財務報表。在編製該等真實與公平的綜合財務報表時,董事必須貫徹採用合適的會計政策。

本核數師行的責任乃根據我們審核工作的結果,對該等財務報表作出獨立意見,並將此意見僅向整體股東報告,而不作其他用途。本核數師行概不對任何其他人士就本報告內容負責或承擔任何責任。

意見的基礎

本核數師行是按照香港會計師公會頒佈的《香港核數準則》進行審核工作。審核範圍包括以抽查方式查核與綜合財務報表所載數額及披露事項有關的憑證,亦包括評估董事於編製該等綜合財務報表時所作的重大估計和判斷,所釐定的會計政策是否適合貴集團的具體情況,以及是否貫徹應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 consolidated financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2005 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.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

28 March 2006

本核數師行在策劃和進行審核工作時，均以取得一切我們認為必需的資料及解釋為目標，使我們能獲得充分的憑證，就該等綜合財務報表是否存在重大的錯誤陳述，作出合理的確定。在編製意見時，本核數師行亦已衡量該等綜合財務報表所載資料在整體上是否足夠。本核數師行相信，我們的審核工作已為下列意見建立合理的基礎。

意見

本核數師行認為，綜合財務報表真實與公平地反映 貴集團於二零零五年十二月三十一日的財政狀況及 貴集團截至該日止年度的溢利和現金流量，並已按照香港《公司條例》的披露要求而妥善編製。

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執業會計師

香港

二零零六年三月二十八日