

PwC Shen Zi (2004) No. 3

### **TO THE SHAREHOLDERS OF JILIN CHEMICAL INDUSTRIAL COMPANY LIMITED**

We have audited the accompanying balance sheets of Jilin Chemical Industrial Company Limited (the “Company”) and its subsidiaries (the “Group”) as at December 31, 2003 and the related income statements, profit appropriation statements and cash flow statements of the Company and the Group, respectively, for the year then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with China’s Independent Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above conform with the Accounting Standards for Business Enterprises and the “Accounting System for Business Enterprises” promulgated by the People’s Republic of China and present fairly, in all material respects, the financial position of the Group and the Company as at December 31, 2003 and the results of its operations and its cash flows for the year then ended.

**PricewaterhouseCoopers Zhong Tian CPAs Co., Ltd.**

April 20, 2004