

信永中和
ShineWing

信永中和會計師事務所

ShineWing
certified public accountants

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山東新華製藥股份有限公司全體股東：

我們審計了後附的山東新華製藥股份有限公司(以下簡稱貴公司)2004年12月31日的母公司及合併資產負債表、2004年度的母公司及合併利潤及利潤分配表和2004年度的母公司及合併現金流量表。這些會計報表及其編製是貴公司管理當局的責任，我們的責任是在實施審計工作的基礎上對這些會計報表發表意見。

我們按照《中國註冊會計師獨立審計準則》計劃和實施審計工作，以合理確信會計報表是否不存在重大錯報。審計工作包括在抽查的基礎上檢查支持會計報表金額和披露的證據，評價管理當局在編製會計報表時採用的會計政策和作出的重大會計估計，以及評價會計報表的整體反映。我們相信，我們的審計工作為發表意見提供了合理的基礎。

我們認為，上述會計報表符合國家頒佈的企業會計準則和《企業會計制度》的規定，在所有重大方面公允反映了貴公司2004年12月31日的財務狀況以及2004年度的經營成果和現金流量情況。

信永中和會計師事務所

中國註冊會計師

譚小青

中國註冊會計師

張新衛

中國北京

2005年3月24日

To the shareholders of Shandong Xinhua Pharmaceutical Company Limited

We have audited the accompanying consolidated and individual balance sheets of Shandong Xinhua Pharmaceutical Company Limited (hereafter referred to as "the Company") as of 31 December 2004, and its related consolidated and individual income statements, statements of profit distribution and cash flow statements 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 statements based on our audit.

We conducted our audit in accordance with the Independent Auditing Standards for Chinese Certified Public Accountants. Those Standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessment of the accounting principles used and significant estimates made by management, as well as, evaluation of the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements give a true and fair view, in all material aspects, of the financial position of the Company as of 31 December 2004, and the results of operations and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises and the Accounting System for Business Enterprises promulgated by the State.

ShineWing Certified Public Accountants

Certified Public Accountant, PRC

Tan Xiaoqing

Certified Public Accountant, PRC

Zhang Xinwei

Beijing, PRC

24 March 2005