

AUDITORS' REPORT TO THE DIRECTORS OF THE COMPANY



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor Prince's Building
Central Hong Kong

REPORT OF THE AUDITORS

TO THE DIRECTORS OF NEW FOCUS AUTO TECH HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the combined accounts of New Focus Auto Tech Holdings Limited ("the Company") and the companies now became the subsidiaries of the Company (collectively "the Group") on pages 48 to 81 which have been prepared in accordance with the basis of preparation and principal accounting policies set out in notes 2 and 3 to the combined accounts.

Respective responsibilities of Directors and Auditors

The Directors of the Company are responsible for the preparation of combined accounts which are properly prepared in accordance with the basis of preparation and principal accounting policies set out in notes 2 and 3 to the combined accounts. In preparing such combined 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 combined accounts 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 Statements of Auditing Standards 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 combined accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the combined 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 combined accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the combined accounts. We believe that our audit provides a reasonable basis for our opinion.



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Opinion

In our opinion, the combined accounts for the year ended 31 December 2004 have been properly prepared, in all material respects, in accordance with the basis of preparation and principal accounting policies set out in notes 2 and 3 to the combined accounts.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 25 April 2005