

# Auditors' Report



**ARTHUR ANDERSEN**

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## **TO THE SHAREHOLDERS OF ANHUI CONCH CEMENT COMPANY LIMITED**

We have audited the accompanying consolidated balance sheets of Anhui Conch Cement Company Limited (the "Company") and its subsidiaries (hereinafter together with the Company referred to as the "Group") and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, and the balance sheets of the Company as of 31st December, 2000 and 1999. 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 audits.

We conducted our audits in accordance with International Standards on Auditing issued by the International Federation of Accountants. Those Standards require that we plan and perform the audits 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 principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements of the Group and the balance sheets of the Company present fairly, in all material respects, the financial position of the Group and the Company as of 31st December, 2000 and 1999, and the results of operations and cash flows of the Group for the years then ended in accordance with International Accounting Standards issued by the International Accounting Standards Committee and comply with the disclosure requirements of the Hong Kong Companies Ordinance.

Hong Kong, the People's Republic of China  
10th February, 2001