



To the Shareholders
Jilin Chemical Industrial Company Limited

We were engaged to examine the balance sheet of Jilin Chemical Industrial Company Limited (the “Company”) and the consolidated balance sheet of the Company and its subsidiaries (the “Group”) as of 31 December 2000 and the profit and loss account and consolidated profit and loss account, profit appropriation statement and consolidated profit appropriation statement, cash flow statement and consolidated cash flow statement 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 the “Independent Auditing Standards for the Chinese Certified Public Accountants”. We performed our audit, which includes examining, on a test basis, of the accounting records as well as performing other procedures which we considered necessary, based on our understanding of the Company and the Group.

In our opinion, the attached audited financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2000 and the results of their operations and their cash flows for the year then ended in accordance with the “Accounting Principles for PRC Enterprises”, the “Accounting System for Joint Stock Enterprises” and the relevant financial accounting laws and regulations. The accounting policies have been consistently applied.

Ernst & Young Hua Ming
Certified Public Accountants

29 March 2001