

# KPMG Peat Marwick Huazhen

## TO THE SHAREHOLDERS OF SINOPEC YIZHENG CHEMICAL FIBRE COMPANY LIMITED

We have accepted the appointment and have audited the consolidated balance sheet and balance sheet of the Company as of 31 December 2000, and the consolidated income statement and profit appropriation statement, income statement and profit appropriation statement, consolidated cash flow statement and cash flow statement of the Company for the year then ended. These accounts are the responsibility of the Company. Our responsibility is to express an audit opinion on these accounts based on our audit. We have conducted our audit in accordance with the "Independent Auditing Standards for Chinese Certified Public Accountants" issued by the Ministry of Finance ("MOF") of the People's Republic of China ("PRC"). In the course of our audit, we considered the circumstances of the Company and its subsidiaries, and carried out such audit procedures, including an examination of the accounting records on a test basis, as we deemed necessary.

In our opinion, the above-mentioned accounts comply with the relevant requirements of "Accounting Standards for Business Enterprises" and "Accounting System for Companies Limited by Shares" issued by the MOF of the PRC and present fairly, in all material respects, the consolidated financial position and financial position of the Company as of 31 December 2000, and the consolidated results of operations, results of operations, consolidated cash flows and cash flows of the Company for the year then ended, and the accounting policies have been consistently applied.

### KPMG Peat Marwick Huazhen

*Certified Public Accountants*

*Registered in the PRC*

**Li Bichang**

**Luo Zheng**

13 April 2001

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YIZHENG IS MEANING A GLOBAL NETWORK