



ANDERSEN

Arthur Andersen & Co

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TO THE SHAREHOLDERS OF ANHUI CONCH CEMENT COMPANY LIMITED

We have audited the accompanying consolidated balance sheet 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 statement of income, changes in equity, and consolidated cash flows for the year then ended, and the balance sheet of the Company as of 31st December, 2001. 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 International Standards on Auditing issued by the International Federation of Accountants. Those Standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company present fairly, in all material respects, the financial position of the Group and the Company as of 31st December, 2001, and the result of consolidated operations and consolidated cash flows of the Group for the year then ended in accordance with International Accounting Standards issued by the International Accounting Standards Board and comply with the disclosure requirements of the Hong Kong Companies Ordinance.

Hong Kong, the People's Republic of China
19th January, 2002