



Huazhen

To the shareholders of Sinopec Shanghai Petrochemical Company Limited:

We accepted the appointment and have audited the Company's consolidated balance sheet and balance sheet at 31 December 2001, and the consolidated income statement and profit appropriation statement, income statement and profit appropriation statement, consolidated cash flow statement and cash flow statement for the year then ended. These financial statements are the responsibility of the Company. Our responsibility is to express an audit opinion on these financial statements based on our audit. We have conducted our audit in accordance with "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 financial statements comply with the relevant requirements of "Accounting Standards for Business Enterprises" and "Accounting Regulations for Business Enterprises" issued by the MOF of the PRC and present fairly, in all material respects, the Company's consolidated financial position and financial position of the Company at 31 December 2001, and the consolidated results of operations, results of operations, consolidated cash flows and cash flows for the year then ended, and the accounting policies have been consistently applied.

KPMG Huazhen

Unit 1608, Level 16,
China World Tower 2
China World Trade Centre
No.1, Jian Guo Men Wai Avenue
Beijing, the People's Republic of China
Post code:100004

Certified Public Accountants
Registered in the People's Republic of China

Luo Zheng
Jin Naiwen
29 March 2002