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PricewaterhouseCoopers Shen Zi (2003) No. 85

# REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF ANHUI CONCH CEMENT COMPANY LIMITED

We were engaged to audit the balance sheet and consolidated balance sheet of the Company and the Group (including the Company and its consolidated subsidiaries) as of 31 December 2002 and the related consolidated income statement, profit appropriation statement and cash flow statement of the Group and the related income statement, profit appropriation statement and cash flow statement for the Company 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 conducted our audit in accordance with the Independent Auditing Standards for Chinese Certified Public Accountants. In the course of our audit, we have considered the actual circumstances of the Company and the Group, and carried out such audit procedures, including examination of the accounting records on a test basis, as we deemed necessary.

In our opinion, the above-mentioned financial statements of the Company and the Group comply with the relevant requirements of “Accounting Standards for Enterprises” and “Accounting System for Enterprises” of the People’s Republic of China and present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2002, and of the results of their operations and cash flows for the year then ended, and the accounting policies have been consistently applied.

**PricewaterhouseCoopers Zhong Tian CPA Co., Ltd.**

6 March 2003

*Note:* The Chinese version of the audit report and accompanying financial statements shall prevail over this translated English version.