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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 (the Group) as of 31 December 2004 and the related consolidated statements of income, cash flow and changes in shareholders' equity for the year then ended, and the balance sheet of the Company as of 31 December 2004. 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. 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 of the Company standing alone as of 31 December 2004, and of the results of operations and cash flows of the Group for the year then ended in accordance with International Financial Reporting Standards and comply with the disclosure requirements of the Hong Kong Companies Ordinance.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

22 March 2005
Hong Kong, the People's Republic of China