

2000 AUDITORS' REPORT

De Shi (Jing) Shen Bao Zi (01) No. 110

To the shareholders of Beiren Printing Machinery Holdings Limited:

We were engaged to audit the Group's and the Company's balance sheet as of 31st December, 2000 and the Group's and the Company's profit and loss account and profits distribution and cash flow statement for the year then ended. These financial statements are the responsibility of the Company. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Independent Auditing Standards for Chinese Certified Public Accountants. Our audit included such test of the accounting records and such other auditing procedures as we considered necessary in the practical circumstances of the Company.

In our opinion, such financial statements are prepared in conformity with "Accounting Standard for Business Enterprises" and "Accounting Regulations for Joint Stock Companies" and, in all material respects, present fairly the financial position of the Company as at 31st December, 2000 and the results of its operations and cash flow for the year then ended. The accounting policies adopted follow the consistency principle.

Deloitte Touche Tohmatsu Shanghai CPA

Chinese Certified Public Accountants

Cui Jing Jing Yiqing

Shanghai, China

22 February, 2001