

**B. INTERIM ACCOUNTS PREPARED UNDER
THE PRC ACCOUNTING RULES AND REGULATIONS**

1. BALANCE SHEETS (UNAUDITED)

	Note	The Group		The Company	
		At 30 June 2001 RMB millions	At 31 December 2000 RMB millions (Audited)	At 30 June 2001 RMB millions	At 31 December 2000 RMB millions (Audited)
Assets					
Current assets					
Cash at bank and in hand		39,959	41,134	26,225	29,267
Bills receivable		4,012	2,603	1,357	1,191
Interest receivable		32	70	13	45
Trade accounts receivables	4(iii)	16,316	12,687	15,408	12,059
Other receivables	4(iv)	26,161	20,105	25,495	17,107
Dividends receivable		—	—	1,158	—
Advances to suppliers		5,787	5,265	3,725	3,947
Inventories	4(v)	54,444	49,761	35,913	32,234
Total current assets		146,711	131,625	109,294	95,850
Long-term investments					
Long-term equity investments (Including equity investment differences: the Group RMB 830 million (2000: RMB 553 million), the Company RMB 764 million (2000: RMB 473 million))	4(vi)	7,214	5,235	76,101	79,581
Fixed assets					
Fixed assets, at cost		346,869	338,081	156,263	149,968
Less: Accumulated depreciation		163,626	152,454	69,157	64,371
		183,243	185,627	87,106	85,597
Less: Impairment loss		391	391	391	391
Net book value of fixed assets		182,852	185,236	86,715	85,206
Construction materials		285	468	86	114
Construction in progress	4(vii)	25,654	16,150	14,561	9,535
Total fixed assets		208,791	201,854	101,362	94,855
Intangible assets		1,007	1,049	794	812
Deferred tax assets		1,201	1,155	777	734
Total assets		364,924	340,918	288,328	271,832

The notes on pages 41 to 50 form part of these interim accounts.

1. BALANCE SHEETS (UNAUDITED) (CONTINUED)

	Note	The Group		The Company	
		At 30 June 2001 RMB millions	At 31 December 2000 RMB millions (Audited)	At 30 June 2001 RMB millions	At 31 December 2000 RMB millions (Audited)
Liabilities and shareholders' funds					
Current liabilities					
Short-term loans		62,572	50,654	42,339	35,818
Bills payable		18,194	11,203	11,132	6,409
Trade accounts payable		13,466	19,403	20,040	19,269
Receipts in advance		2,754	2,456	1,560	1,409
Wages payable		915	739	326	296
Staff welfare payable		670	599	316	273
Dividends payable		6,712	6,712	6,712	6,712
Taxes payable		2,328	4,093	(291)	1,247
Other payables		1,286	826	315	226
Other creditors		22,706	23,122	15,616	19,622
Accrued expenses		1,386	336	980	240
Current portion of long-term loans		7,960	8,010	4,590	4,945
Total current liabilities		140,949	128,153	103,635	96,466
Long-term liabilities					
Long-term loans		68,921	65,904	55,850	54,536
Debentures payable		2,770	2,770	—	—
Housing revolving fund	4(ii)	—	(862)	—	—
Other long-term payables		565	434	427	37
Total long-term liabilities		72,256	68,246	56,277	54,573
Deferred tax liabilities		329	427	—	—
Total liabilities		213,534	196,826	159,912	151,039
Minority interests		22,974	23,299	—	—
Shareholders' funds					
Share capital		83,902	83,902	83,902	83,902
Capital reserve		27,449	27,449	27,449	27,449
Surplus reserves					
(Including statutory public welfare fund of RMB 1,615 million (2000: RMB 1,615 million))		3,230	3,230	3,230	3,230
Undistributed profits		13,835	6,212	13,835	6,212
Total shareholders' funds		128,416	120,793	128,416	120,793
Total liabilities and shareholders' funds		364,924	340,918	288,328	271,832

The notes on pages 41 to 50 form part of these interim accounts.