

**BALANCE SHEET** (Prepared in accordance with PRC Accounting Regulations)

Year ended 31 December 2000

Monetary Unit: RMB Yuan

Assets	Note	Ending Balance (Consolidated)	Ending Balance (Parent Corp.)	Beginning Balance (Consolidated)	Beginning Balance (Parent Corp.)
<b>Current Assets:</b>					
Monetary Assets	1	2,635,403,137.13	2,205,675,857.61	2,875,459,261.71	2,471,997,287.84
Short-term Investments	2	304,827,444.21	304,827,444.21	-	-
Less: Allowance for Reduction of Short-term Investments to Market		-	-	-	-
Net Short-term Investments		304,827,444.21	304,827,444.21	-	-
Notes Receivable		-	-	-	-
Dividend Receivable		129,500.00	129,500.00	120,000.00	120,000.00
Interest Receivable		-	-	-	-
Accounts Receivable	3	1,322,382,735.11	1,028,963,583.95	1,282,959,941.67	1,073,346,101.76
Other Receivables	4	694,984,770.39	769,320,081.78	921,641,393.31	1,365,715,510.97
Less: Provision for Bad Debts		126,940,332.28	90,090,114.51	113,556,231.83	83,500,863.25
Net Accounts Receivable		1,890,427,173.22	1,708,193,551.22	2,091,045,103.15	2,355,560,749.48
Advances to Suppliers	5	265,285,993.64	273,911,952.77	178,723,624.08	117,077,516.08
Subsidies Receivable		-	-	-	-
Deposit on Futures		-	-	-	-
Seat Expense Receivable		-	-	-	-
Inventories	6	2,400,946,064.46	2,252,275,215.01	2,356,705,877.10	2,196,070,660.52
Less: Allowance for Reduction of Inventory to Market		258,905,175.94	231,164,219.18	234,692,145.09	218,484,742.95
Net Inventories		2,142,040,888.52	2,021,110,995.83	2,122,013,732.01	1,977,585,917.57
Prepaid & Deferred Expenses	7	76,970,736.07	56,800,019.64	48,978,810.40	27,501,954.96
Net Loss for Current Assets Pending Disposal		-	-	-	-
Long-term Creditor Investment Due within One Year		-	-	-	-
Other Current Assets		-	-	-	-
<b>Total Current Assets</b>		<b>7,315,084,872.79</b>	<b>6,570,649,321.28</b>	<b>7,316,340,531.35</b>	<b>6,949,843,425.93</b>
<b>Long-term Investments:</b>					
Long-term Investments in Equity Securities	8	90,742,008.46	1,027,748,492.66	78,705,820.04	607,697,285.91
Long-term Investments in Debt Securities		545,721,596.87	545,721,596.87	648,450,918.89	648,450,918.89
Total Long-term Investments		636,463,605.33	1,573,470,089.53	727,156,738.93	1,256,148,204.80
Less: Allowance for Reduction of Long-term Investments to Market		1,760,468.50	-	2,469,568.50	-
<b>Net Long-term Investments</b>		<b>634,703,136.83</b>	<b>1,573,470,089.53</b>	<b>724,687,170.43</b>	<b>1,256,148,204.80</b>
<b>Fixed Assets:</b>					
Fixed Assets-Cost	9	27,463,079,962.06	26,363,312,606.18	25,679,433,433.97	25,006,728,143.53
Including: Finance Leasing		19,002,924,018.88	19,002,924,018.88	18,465,568,501.53	18,465,568,501.53
Less: Accumulated Depreciation		10,402,275,486.63	10,151,845,683.61	9,397,898,967.23	9,198,539,746.39
Fixed Assets-Net Value		17,060,804,475.43	16,211,466,922.57	16,281,534,466.74	15,808,188,397.14
Engineering Supplies		-	-	-	-
Construction in Progress	10	859,394,110.96	821,854,481.47	1,739,016,032.19	1,614,072,900.46
Fixed Assets Disposal		13,281,683.31	13,076,548.93	91,537,041.87	91,429,503.02
Net Loss for Fixed Assets Pending Disposal		-	-	-	-
<b>Total Fixed Assets</b>		<b>17,933,480,269.70</b>	<b>17,046,397,952.97</b>	<b>18,112,087,540.80</b>	<b>17,513,690,800.62</b>
<b>Intangible Assets &amp; Other Assets</b>					
Intangible Assets	11	878,566,657.82	364,972,706.36	502,748,149.11	374,497,047.08
Organization Expenses		5,852,172.41	-	7,173,471.81	-
Long-term Prepaid and Deferred Expenses	12	218,611,033.42	197,432,916.06	296,710,488.46	272,923,328.82
Other Long-term Assets		-	-	-	-
<b>Total Intangible Assets &amp; Other Assets</b>		<b>1,103,029,863.65</b>	<b>562,405,622.42</b>	<b>806,632,109.38</b>	<b>647,420,375.90</b>
<b>Deferred Tax Charges:</b>					
Deferred Tax Debits	-	-	-	-	-
<b>Total Assets</b>		<b>26,986,298,142.97</b>	<b>25,752,922,986.20</b>	<b>26,959,747,351.96</b>	<b>26,367,102,807.25</b>

Monetary Unit: RMB Yuan					
Liabilities & Shareholders' Equity	Note	Ending Balance (Consolidated)	Ending Balance (Parent Corp.)	Beginning Balance (Consolidated)	Beginning Balance (Parent Corp.)
Current Liabilities:					
Short-term Loans	13	600,000,000.00	200,000,000.00	605,586,000.00	605,586,000.00
Notes Payable		-	-	-	-
Accounts Payable	14	253,490,244.13	273,011,252.40	280,983,023.75	269,780,380.25
Advances from Customers		65,219,354.80	57,696,764.69	71,883,375.71	56,129,786.61
International Sales in Advance of Carriage	15	607,681,771.04	555,150,780.92	424,943,570.52	418,758,289.19
Domestic Sales in Advance of Carriage	16	103,112,383.12	91,577,320.26	104,832,024.43	91,739,447.02
Payable to Consignor		-	-	-	-
Payroll Payable		36,288,022.42	35,868,382.62	30,014,659.00	30,014,659.00
Welfare Payable		11,201,157.97	4,390,743.55	5,365,400.46	3,993,645.76
Dividend Payable	17	97,339,000.00	97,339,000.00	-	-
Taxes Payable	18	113,518,637.70	118,635,863.62	113,523,003.25	116,738,652.66
Civil Air Infrastructure Construction Fund Payable	19	175,162,654.73	83,996,948.43	226,209,046.00	126,517,468.29
Other Payables (Statutory)		1,619,444.80	1,521,057.86	2,284,169.95	2,277,560.67
Other Payables	20	564,559,146.57	388,364,044.72	710,066,828.20	674,488,330.38
Accrued Expenses	21	1,787,223,762.92	1,544,617,826.58	1,573,353,664.27	1,417,647,256.00
Portion of Long-term Liabilities due within One Year	22	1,751,328,246.77	1,751,328,246.77	1,399,150,796.81	1,399,150,796.81
Other Current Liabilities		-	-	-	-
<b>Total Current Liabilities</b>		<b>6,167,743,826.97</b>	<b>5,203,498,232.42</b>	<b>5,548,195,562.35</b>	<b>5,212,822,272.64</b>
Long-term Liabilities:					
Long-term Loans	23	2,100,000,000.00	2,100,000,000.00	1,200,000,000.00	1,200,000,000.00
Debentures Payable		-	-	-	-
Long-term Accounts Payables	24	12,177,275,143.41	12,177,275,143.41	13,384,378,501.52	13,384,378,501.52
Turnover Fund for Housing	25	(409,827,430.79)	(339,398,633.14)	(117,111,223.30)	(117,111,223.30)
Other Long-term Liabilities		-	-	-	-
<b>Total Long-term Liabilities</b>		<b>13,867,447,712.62</b>	<b>13,937,876,510.27</b>	<b>14,467,267,278.22</b>	<b>14,467,267,278.22</b>
Deferred Taxes:					
Deferred Tax Credits		2,002,085.84	2,002,085.84	2,556,984.26	2,556,984.26
<b>Total Liabilities</b>		<b>20,037,193,625.43</b>	<b>19,143,376,828.53</b>	<b>20,018,019,824.83</b>	<b>19,682,646,535.12</b>
<b>Minority Interests (for Consolidation)</b>		<b>342,556,686.06</b>	<b>-</b>	<b>259,179,075.74</b>	<b>-</b>
Shareholders' Equity:					
Capital Stock	26	4,866,950,000.00	4,866,950,000.00	4,866,950,000.00	4,866,950,000.00
Capital Reserve	27	1,447,954,188.23	1,447,954,188.23	1,446,697,719.27	1,446,697,719.27
Surplus Reserve	28	239,184,544.84	204,749,297.50	217,100,879.44	204,749,297.50
including: Common Welfare Fund		98,617,342.62	81,399,718.95	87,575,509.92	81,399,718.95
Undistributed Profit (Deficit Uncovered Shown in the Negative)	29	52,459,098.41	89,892,671.94	151,799,852.68	166,059,255.36
Conversion Price Difference (for Consolidation)		-	-	-	-
<b>Total Shareholders' Equity</b>		<b>6,606,547,831.48</b>	<b>6,609,546,157.67</b>	<b>6,682,548,451.39</b>	<b>6,684,456,272.13</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>26,986,298,142.97</b>	<b>25,752,922,986.20</b>	<b>26,959,747,351.96</b>	<b>26,367,102,807.25</b>