

## Balance Sheet

*As at 31 December 2000 (Prepared in accordance with PRC Accounting Regulations)*

|   | Group Company        |                   |                    |                 |
|---|----------------------|-------------------|--------------------|-----------------|
|   | 2000                 | 1999              | 2000               | 1999            |
|   | Rmb                  | Rmb               | Rmb                | Rmb             |
| <b>CURRENT ASSETS:</b>                                    |                      |                   |                    |                 |
| Cash and bank balance                                     | 399,011,393.68       | 388,370,298       | 178,305,735.73     | 207,086,436     |
| Short term investments                                    | -                    | -                 | -                  | -               |
| Less: Provision for<br>diminution in value                | -                    | -                 | -                  | -               |
| Short term investments-net                                | -                    | -                 | -                  | -               |
| Notes receivables   | 1,580,000.00         | -                 | -                  | -               |
| Dividend receivable                                       | -                    | -                 | -                  | -               |
| Interest receivable                                       | -                    | -                 | -                  | -               |
| Accounts receivable                                       | 1,164,270,022.07     | 1,220,479,263     | -                  | -               |
| Other receivables   | 375,560,450.41       | 324,643,914       | 100,937,150.77     | 105,801,091     |
| Accounts receivable<br>sub-total                          | 1,539,830,472.48     | 1,545,123,177     | 100,937,150.77     | 105,801,091     |
| Less: Provision for bad debts                             | (212,538,268.06)     | (176,195,057)     | -                  | -               |
| Net accounts receivable                                   | 1,327,292,204.42     | 1,368,928,120     | 100,937,150.77     | 105,801,091     |
| Advances to suppliers                                     | 397,907,515.61       | 92,412,622        | -                  | -               |
| Subsidy receivable  | -                    | -                 | -                  | -               |
| Inventories   | 352,469,488.40       | 445,144,217       | -                  | -               |
| Less: Provision for loss on<br>realisation of inventories | (41,305,042.89)      | (42,470,810)      | -                  | -               |
| Net inventories   | 311,164,445.51       | 402,673,407       | -                  | -               |
| Deferred expenses   | 2,760,940.89         | 423,468           | -                  | -               |
| Inter-company current account                             | -                    | -                 | -                  | -               |
| Investment in bonds with<br>maturity date within one year | -                    | -                 | -                  | -               |
| Current assets pending for<br>disposals                   | -                    | -                 | -                  | -               |
| Other current assets                                      | -                    | -                 | -                  | -               |
| <br>Total current assets                                  | <br>2,439,716,500.11 | <br>2,252,807,915 | <br>279,242,886.50 | <br>312,887,527 |
| <b>LONG TERM INVESTMENTS:</b>                             |                      |                   |                    |                 |
| Equity investments  | 8,533,125.99         | 29,710,476        | 1,049,718,663.59   | 1,162,824,794   |
| Investment in bonds                                       | 1,469,948.00         | 600,607           | -                  | -               |
| Total long term investments                               | 30,003,073.99        | 30,311,083        | 1,049,718,663.59   | 1,162,824,794   |
| Less: Provision for permanent<br>diminution in value      | (6,014,965.33)       | (3,419,236)       | -                  | -               |
| Long term investments-net                                 | 23,988,108.66        | 26,891,847        | 1,049,718,663.59   | 1,162,824,794   |

|  | Group                   |                      | Company                 |                      |
|--|-------------------------|----------------------|-------------------------|----------------------|
|  | 2000                    | 1999                 | 2000                    | 1999                 |
|  | Rmb                     | Rmb                  | Rmb                     | Rmb                  |
| <b>FIXED ASSETS:</b>                     |                         |                      |                         |                      |
| Fixed assets - costs                     | 2,043,217,847.07        | 1,646,450,152        | 2,075,171.00            | 1,141,805            |
| Less: Accumulated depreciation           | (688,833,657.69)        | (616,741,449)        | (764,673.00)            | (372,404)            |
| Fixed assets - net book value            | 1,354,384,189.38        | 1,029,708,703        | 1,310,498.00            | 769,401              |
| Materials for construction in progress   | -                       | -                    | -                       | -                    |
| Construction in progress                 | 155,786,726.19          | 91,303,339           | -                       | -                    |
| Other                                    | 42,576.69               | -                    | -                       | -                    |
| Fixed assets pending for disposals       | -                       | -                    | -                       | -                    |
| <b>Total fixed assets</b>                | <b>1,510,213,492.26</b> | <b>1,121,012,042</b> | <b>1,310,498.00</b>     | <b>769,401</b>       |
| <b>INTANGIBLE AND OTHER ASSETS:</b>      |                         |                      |                         |                      |
| Intangible asset                         | 150,313,406.63          | 153,720,950          | -                       | -                    |
| Pre-operating expenses                   | -                       | -                    | -                       | -                    |
| Long term deferred expenditure           | 3,590,199.42            | 7,129,019            | 1,751,868.85            | 4,692,256            |
| Other long term assets                   | 327,070,536.80          | 662,027,713          | 298,818,033.30          | 576,398,251          |
| <b>Total intangible and other assets</b> | <b>480,974,142.85</b>   | <b>822,877,682</b>   | <b>300,569,902.15</b>   | <b>581,090,507</b>   |
| <b>DEFERRED TAXATION</b>                 |                         |                      |                         |                      |
| Deferred tax assets                      | -                       | -                    | -                       | -                    |
| <b>TOTAL ASSETS</b>                      | <b>4,454,892,243.88</b> | <b>4,223,589,486</b> | <b>1,630,841,950.24</b> | <b>2,057,572,229</b> |
| <b>CURRENT LIABILITIES:</b>              |                         |                      |                         |                      |
| Short term loans                         | 1,372,664,231.71        | 1,282,803,249        | 164,350,000.00          | 164,300,000          |
| Notes payable                            | 51,500,000.00           | 40,880,179           | -                       | -                    |
| Accounts payable                         | 665,873,547.26          | 345,851,161          | -                       | -                    |
| Advances from customers                  | 155,555,557.48          | 139,038,570          | -                       | -                    |
| Receipts from consignment goods          | -                       | -                    | -                       | -                    |
| Wages payable                            | -                       | -                    | -                       | -                    |
| Welfare payable                          | 6,221,133.51            | 10,811,344           | -                       | -                    |
| Dividend payable                         | -                       | -                    | -                       | -                    |
| Taxes payable/(refundable)               | (16,457,421.00)         | (13,004,146)         | 2,158,000.00            | 2,158,000            |
| Other payables                           | 8,703,655.80            | 9,721,851            | -                       | -                    |
| Other creditors                          | 247,699,057.79          | 151,030,640          | 1,994,932.12            | 4,026,459            |

|                                      | Group            |               | Company          |               |
|--------------------------------------|------------------|---------------|------------------|---------------|
|                                      | 2000             | 1999          | 2000             | 1999          |
|                                      | Rmb              | Rmb           | Rmb              | Rmb           |
| Accrued expenses                     | 12,192,741.12    | 21,629,038    | 5,651,730.00     | 5,257,723     |
| Current portion of long term loans   | 240,834,666.67   | 151,210,000   | 110,374,666.67   | -             |
| Other current liabilities            | -                | -             | -                | -             |
| Total current liabilities            | 2,744,787,170.34 | 2,139,971,886 | 284,529,328.79   | 175,742,182   |
| LONG TERM LIABILITIES:               |                  |               |                  |               |
| Long term loans                      | 565,013,934.18   | 547,272,000   | 220,749,333.33   | 331,172,000   |
| Bonds payable                        | -                | -             | -                | -             |
| Long term accounts payable           | -                | -             | -                | -             |
| Housing fund                         | -                | (30,035,785)  | -                | -             |
| Other long term liabilities          | 715,071.80       | -             | -                | -             |
| Total long term liabilities          | 565,729,005.98   | 517,236,215   | 220,749,333.33   | 331,172,000   |
| deferred taxation                    |                  |               |                  |               |
| Deferred tax liabilities             | -                | -             | -                | -             |
| Total liabilities                    | 3,310,516,176.32 | 2,657,208,101 | 505,278,662.12   | 506,914,182   |
| Minority interest                    | 18,812,779.03    | 15,723,338    | -                | -             |
| OWNER'S EQUITY:                      |                  |               |                  |               |
| Share capital                        | 873,370,000.00   | 873,370,000   | 873,370,000.00   | 873,370,000   |
| Capital surplus                      | 603,393,721.00   | 603,393,721   | 603,393,721.00   | 603,393,721   |
| Accumulated fund                     | 107,377,827.10   | 152,044,286   | 150,796,591.00   | 150,796,591   |
| Including: Statutory provident fund  | 31,807,704.10    | 31,807,704    | 31,439,722.00    | 31,439,722    |
| Undistributed profit                 | (458,578,259.57) | (78,149,960)  | (501,997,023.88) | (76,902,265)  |
| Total owners' equity                 | 1,125,563,288.53 | 1,550,658,047 | 1,125,563,288.12 | 1,550,658,047 |
| TOTAL LIABILITIES AND OWNERS' EQUITY |                  |               |                  |               |
|                                      | 4,454,892,243.88 | 4,223,589,486 | 1,630,841,950.24 | 2,057,572,229 |