

BALANCE SHEETS

As of 31 December 2000 and 1999

Presented by: Guangdong Kelon Electrical Holdings Company Limited and its subsidiaries
(Expressed in Renminbi Yuan)

ASSETS	Note	31 December 2000		31 December 1999	
		The Company	The Group	The Company	The Group
1. Current assets					
Cash and bank deposits	4	461,842,796	838,710,032	566,250,943	753,140,484
Short-term investments		—	—	—	—
Less: Provision for impairment in value of short-term investments		—	—	—	—
Short-term investments, net		—	—	—	—
Notes receivable	5	4,123,740	280,255,647	552,290,731	986,009,131
Dividend receivable		—	—	—	—
Interest receivable		—	—	—	—
Receivables					
Accounts receivable	6, 38	6,424,447	456,598,949	483,446,687	684,832,860
Other receivables	6, 38	2,279,594,405	460,048,067	1,079,323,870	184,336,092
Less: Provision for doubtful accounts	6	—	(159,056,119)	(81,255,717)	(99,435,892)
Receivables, net		2,286,018,852	757,590,897	1,481,514,840	769,733,060
Prepayments	7	21,216,776	67,149,203	36,613,860	84,107,301
Subsidies receivable	8	—	—	19,515,844	19,515,844
Inventories	9	21,186,421	1,935,179,722	342,749,987	1,560,354,505
Less: Provision for inventory obsolescence	9	—	(198,538,611)	(22,216,000)	(76,216,000)
Inventories, net	9	21,186,421	1,736,641,111	320,533,987	1,484,138,505
Deferred expenditures		5,081,115	7,448,872	10,375,218	27,785,956
Current assets					
pending disposal		—	—	—	—
Investments in debt securities, current portion		—	—	—	—
Other current assets		—	—	—	—
Total current assets		2,799,469,700	3,687,795,762	2,987,095,423	4,124,430,281

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2. Long-term investments					
Long-term equity investments	10	1,231,413,596	412,390,758	1,809,663,698	399,910,514
Investments in debt securities, non-current portion		—	—	—	—
Total long-term investments		1,231,413,596	412,390,758	1,809,663,698	399,910,514
Less: Provision for impairment in value of long-term investments	10	(74,129,000)	(74,129,000)	(74,129,000)	(74,129,000)
Long-term investments, net		1,157,284,596	338,261,758	1,735,534,698	325,781,514
3. Fixed assets					
Fixed assets, cost	11	1,340,207,640	3,367,402,922	1,508,836,909	3,283,982,469
Less: Accumulated depreciation	11	(300,895,062)	(1,063,555,842)	(295,474,767)	(796,292,609)
Net book value	11	1,039,312,578	2,303,847,080	1,213,362,142	2,487,689,860
Project materials		—	—	—	—
Construction-in-progress	12	19,626,516	26,171,005	10,678,762	15,940,464
Retired fixed assets		—	—	—	—
Fixed assets pending disposal		—	—	—	—
Total fixed assets		1,058,939,094	2,330,018,085	1,224,040,904	2,503,630,324
4. Intangible assets and other assets					
Intangible assets	13	213,998,964	313,969,738	220,670,507	323,955,581
Pre-operating expenditures	14	—	8,136,181	—	13,267,283
Long-term deferred expenditures	15	49,342,469	233,185,602	61,743,889	194,274,161
Other long-term assets		—	—	—	—
Total intangible assets and other assets		263,341,433	555,291,521	282,414,396	531,497,025
5. Deferred tax					
Deferred tax assets		—	—	—	—
Total assets		5,279,034,823	6,911,367,126	6,229,085,421	7,485,339,144

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LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31 December 2000		31 December 1999	
		The Company	The Group	The Company	The Group
1. Current liabilities					
Short-term bank loans	16	355,700,000	437,700,000	375,700,000	883,799,018
Notes payable	17	151,203,183	216,354,679	—	—
Accounts payable	18	3,812,526	506,449,676	84,451,046	254,400,365
Trade deposits from customers	19, 38	—	553,272,123	28,490,103	65,706,445
Goods sold on behalf of other entities		—	—	—	—
Salary payable		29,124,040	64,363,358	2,120,569	7,168,578
Welfare payable		40,282	3,511,001	10,849,881	13,587,433
Dividend payable	20	—	—	212,289,404	212,289,404
Tax payable	21	(16,379,242)	(186,842,451)	32,814,380	5,624,275
Other unpaid expenses		1,847,785	1,990,693	4,592,058	5,493,581
Other payables	22, 38	287,625,599	163,179,378	209,274,663	161,465,946
Accruals	23	14,423,878	537,907,900	129,957,488	261,517,034
Long-term bank loans, current portion	24	—	19,777,334	—	17,342,657
Other current liabilities		—	—	—	—
Total current liabilities		827,398,051	2,317,663,691	1,090,539,592	1,888,394,736
2. Non-current liabilities					
Long-term bank loans	24	200,000,000	237,306,327	200,000,000	217,120,864
Debentures		—	—	—	—
Long-term payables	25	113,621,705	117,147,785	122,111,939	125,393,054
Housing funds		—	—	—	—
Other non-current liabilities		—	—	—	—
Total non-current liabilities		313,621,705	354,454,112	322,111,939	342,513,918
3. Deferred tax					
Deferred tax liabilities		—	—	—	—
Total liabilities		1,141,019,756	2,672,117,803	1,412,651,531	2,230,908,654
4. Minority interests	26	—	104,993,526	—	439,220,182
5. Shareholders' equity					
Share capital	27	992,006,563	992,006,563	992,006,563	992,006,563
Capital reserve	28	2,451,222,837	2,451,222,837	2,451,222,837	2,451,222,837
Revenue reserve	29	343,742,703	343,742,703	343,742,703	343,742,703
Including: Common welfare fund		114,580,901	114,580,901	114,580,901	114,580,901
Retained earnings	30	351,042,964	351,042,964	1,029,461,787	1,029,461,787
Cumulative translation reserve		—	(3,759,270)	—	(1,223,582)
Total shareholders' equity		4,138,015,067	4,134,255,797	4,816,433,890	4,815,210,308
Total liabilities and shareholders' equity		5,279,034,823	6,911,367,126	6,229,085,421	7,485,339,144

The accompanying notes form an integral part of the financial statements.