

## Balance Sheet

(Prepared in accordance with International Financial Reporting Standards)

AS AT 31ST DECEMBER, 2001

(Amounts expressed in thousands of Rmb)

|   |      | The Company and<br>its subsidiaries |                        | The Company            |
|---|------|-------------------------------------|------------------------|------------------------|
|   | Note | 31st December,<br>2001              | 31st December,<br>2001 | 31st December,<br>2000 |
| <b>ASSETS</b>   |      |                                     |                        |                        |
| <b>Non-current assets</b>   |      |                                     |                        |                        |
| Property, plant and equipment, net  | 9    | 37,557,114                          | 34,868,277             | 31,643,530             |
| Land use rights   | 10   | 787,131                             | 711,729                | 576,065                |
| Investment in an associate  | 11   | 226,488                             | 226,488                | —                      |
| Investment in subsidiaries  | 12   | —                                   | 860,967                | —                      |
| Other long-term assets  |      | 183,628                             | 900,026                | 185,664                |
| Less: Negative goodwill   | 13   | (2,225,505)                         | (2,225,505)            | —                      |
| Total non-current assets  |      | 36,528,856                          | 35,341,982             | 32,405,259             |
| <b>Current assets</b>   |      |                                     |                        |                        |
| Cash and cash equivalents   | 6(l) | 2,173,136                           | 2,129,332              | 1,988,373              |
| Temporary cash investments  | 14   | 6,224,070                           | 5,995,752              | 294,925                |
| Investments   |      | 1,102                               | —                      | 60,000                 |
| Accounts receivable   | 15   | 1,407,171                           | 1,331,720              | 1,196,072              |
| Materials and supplies, net   | 16   | 718,997                             | 638,108                | 563,741                |
| Due from a subsidiary   |      | —                                   | 18,266                 | —                      |
| Other receivables and assets, net   | 17   | 239,443                             | 230,707                | 5,958,578              |
| Total current assets  |      | 10,763,919                          | 10,343,885             | 10,061,689             |
| Total assets  |      | 47,292,775                          | 45,685,867             | 42,466,948             |
| <b>EQUITY AND LIABILITIES</b>   |      |                                     |                        |                        |
| <b>Shareholders' equity</b>   |      |                                     |                        |                        |
| 4,250,000,000 PRC Domestic Shares,<br>par value Rmb1.00 each, in form<br>of legal person shares | 18   | 4,250,000                           | 4,250,000              | 4,150,000              |
| 250,000,000 A shares, par<br>value Rmb1.00 each   | 18   | 250,000                             | 250,000                | —                      |
| 1,500,000,000 Overseas Listed Foreign<br>Shares, par value Rmb1.00 each                         | 18   | 1,500,000                           | 1,500,000              | 1,500,000              |
| Additional paid-in capital  |      | 10,137,732                          | 10,137,732             | 7,717,674              |
| Dedicated capital   | 19   | 2,659,012                           | 2,659,012              | 2,022,701              |
| Equity component of convertible notes   | 21   | 510,506                             | 510,506                | 510,506                |
| Retained earnings   |      | 8,986,280                           | 8,986,280              | 7,878,854              |
| Total shareholders' equity  |      | 28,293,530                          | 28,293,530             | 23,779,735             |

## Balance Sheet (continued)

(Prepared in accordance with International Financial Reporting Standards)

AS AT 31ST DECEMBER, 2001

|   |             | <b>The Company and<br/>its subsidiaries</b> | <b>The Company</b>             |                        |
|---|-------------|---|--------------------------------|------------------------|
|   | <i>Note</i> | <b>31st December,<br/>2001</b>              | <b>31st December,<br/>2001</b> | 31st December,<br>2000 |
| <b>Minority interests</b>                               |             | <b>486,261</b>                              | —                              | —                      |
| <b>Non-current liabilities</b>                          |             |   |                                |                        |
| Liability component of convertible notes                | 21          | —   | —                              | 1,393,388              |
| Long-term loans from shareholders                       | 22          | <b>777,717</b>                              | <b>777,717</b>                 | 782,825                |
| Long-term bank loans                                    | 23          | <b>8,691,246</b>                            | <b>8,081,033</b>               | 8,885,634              |
| Other long-term loans                                   | 24          | <b>106,799</b>                              | —                              | 174,368                |
| Accrued put premium for convertible notes               | 21          | —   | —                              | 380,395                |
| Other financial liabilities                             | 35          | <b>14,875</b>                               | <b>14,875</b>                  | —                      |
| Total non-current liabilities                           |             | <b>9,590,637</b>                            | <b>8,873,625</b>               | 11,616,610             |
| <b>Current liabilities</b>                              |             |   |                                |                        |
| Short-term loans  | 25          | <b>40,000</b>                               | —                              | 1,300,000              |
| Current portion of long-term loans<br>from shareholders | 22          | <b>15,565</b>                               | <b>15,565</b>                  | 218,995                |
| Current portion of long-term bank loans                 | 23          | <b>2,630,008</b>                            | <b>2,630,008</b>               | 1,431,713              |
| Current portion of other long-term loans                | 24          | <b>283,273</b>                              | <b>174,368</b>                 | 58,123                 |
| Accounts payable and accrued liabilities                | 26          | <b>2,657,223</b>                            | <b>2,496,379</b>               | 2,717,957              |
| Taxes payable   | 27          | <b>521,193</b>                              | <b>441,190</b>                 | 529,661                |
| Due to HIPDC  | 6(j)        | <b>36,584</b>                               | <b>36,584</b>                  | 130,158                |
| Due to other related parties                            | 6(j)        | <b>3,225</b>                                | <b>3,225</b>                   | —                      |
| Staff welfare and bonus payable                         |             | <b>376,193</b>                              | <b>362,310</b>                 | 542,355                |
| Due to Nanjing Investment                               |             | —   | —                              | 141,641                |
| Liability component of convertible notes                | 21          | <b>1,703,443</b>                            | <b>1,703,443</b>               | —                      |
| Put option of convertible notes                         | 21          | <b>655,640</b>                              | <b>655,640</b>                 | —                      |
| Total current liabilities                               |             | <b>8,922,347</b>                            | <b>8,518,712</b>               | 7,070,603              |
| Total equity and liabilities                            |             | <b>47,292,775</b>                           | <b>45,685,867</b>              | 42,466,948             |

Approved by the Board of Directors on 12th March, 2002:

**Wang Xiaosong**  
Vice Chairman

**Ye Daji**  
Director

The accompanying notes are an integral part of these financial statements.