

Balance Sheet

(Prepared under PRC accounting standards)

31 December 2001

| ASSETS | Notes V | 2001 RMB | 2000 RMB |
|---|---------|-----------------------|-----------------------|
| CURRENT ASSETS: | | | |
| Cash and balances with financial institutions | | 1,184,277,534 | 1,520,821,621 |
| Short term investments | | 111,796,803 | — |
| Bills receivable | | 878,198,188 | 434,751,346 |
| Trade receivables | 5 | 303,515,418 | 425,311,744 |
| Other receivables | 6 | 288,305,136 | 293,584,993 |
| Prepayments | | 466,195,316 | 113,362,142 |
| Inventories | | 1,768,864,682 | 1,954,581,962 |
| Long term debt investments, current portion | | 1,600,000 | 4,308,000 |
| Total current assets | | 5,002,753,077 | 4,746,721,808 |
| LONG TERM INVESTMENTS: | | | |
| Long term equity investments | 10 | 409,133,363 | 273,795,005 |
| Long term debt investments | 10 | 21,558,870 | 24,218,870 |
| Total long term investments | | 430,692,233 | 298,013,875 |
| FIXED ASSETS: | | | |
| Cost | | 14,947,024,173 | 14,436,127,621 |
| Less: Accumulated depreciation | | (4,783,866,830) | (4,074,825,364) |
| Net book value | | 10,163,157,343 | 10,361,302,257 |
| Less: Impairment | | (125,431,412) | (20,544,897) |
| Net book value, net of impairment | | 10,037,725,931 | 10,340,757,360 |
| Construction in progress | | 315,159,819 | 524,278,291 |
| Total fixed assets | | 10,352,885,750 | 10,865,035,651 |
| INTANGIBLE AND OTHER ASSETS: | | | |
| Intangible assets | | 880,394,034 | 780,409,605 |
| Long term deferred expenditure | | — | 105,600,289 |
| Total intangible and other assets | | 880,394,034 | 886,009,894 |
| TOTAL ASSETS | | 16,666,725,094 | 16,795,781,228 |

The attached notes are components of the Audited Financial Statements.

Balance Sheet (continued)

(Prepared under PRC accounting standards)

31 December 2001

| LIABILITIES AND SHAREHOLDERS' FUNDS | Notes V | 2001 RMB | 2000 RMB |
|--|---------|-----------------------|-----------------------|
| CURRENT LIABILITIES: | | | |
| Short term loans | | 985,930,885 | 1,377,110,315 |
| Trade payables | | 799,292,764 | 694,494,698 |
| Deposits received | | 540,367,958 | 194,036,260 |
| Wages payable | | 500,175 | 39,999,233 |
| Staff welfare payable | | 11,877,086 | 10,424,234 |
| Dividend payable | 41 | 129,106,000 | 129,106,000 |
| Tax payable | | 258,528,426 | 259,243,984 |
| Other taxes payable | | 16,834,518 | 10,533,663 |
| Other payables | | 192,431,871 | 231,346,348 |
| Accrued charges | | 235,172,949 | 194,448,569 |
| Long term loans, current portion | | 245,826,493 | 652,366,451 |
| Total current liabilities | | 3,415,869,125 | 3,793,109,755 |
| LONG TERM LIABILITIES: | | | |
| Long term loans | | 821,914,033 | 857,991,497 |
| Specific payables | | 485,840,000 | 58,920,000 |
| Other long term liabilities | | 182,067,859 | 208,970,050 |
| Total long term liabilities | | 1,489,821,892 | 1,125,881,547 |
| DEFERRED CREDIT | 44 | 1,373,630,913 | 1,373,630,913 |
| SHAREHOLDERS' FUNDS: | | | |
| Share capital | 27 | 6,455,300,000 | 6,455,300,000 |
| Capital reserve | 28 | 3,491,344,482 | 3,491,344,482 |
| Surplus reserves | 29 | 420,370,310 | 379,666,632 |
| including: statutory public welfare fund | 29 | 210,185,155 | 189,833,316 |
| Retained profits | | 20,388,372 | 176,847,899 |
| Total shareholders' funds | | 10,387,403,164 | 10,503,159,013 |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | | 16,666,725,094 | 16,795,781,228 |

The attached notes are components of the Audited Financial Statements.

Authorised Company Representative:
Gu Zhanggen
15 April 2002

Chief Accountant:
Su Jiangan
15 April 2002

Head of Accounting Department:
Guang Yagang
15 April 2002