

STATEMENTS OF IMPAIRMENT PROVISION FOR ASSETS

(Cont'd)

For the year ended 31 December 2001

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

Description	Beginning balance	Transferred from subsidiaries	2001			The Company		2000 (Restated, Note 3)		
			Addition	Reversal	End balance	Beginning balance	Addition	Transferred to subsidiaries	End balance	
1										
Provision for doubtful accounts	—	120,156,488	235,223,026	—	355,379,514	81,255,717	—	(81,255,717)	—	
Including: Accounts receivable	—	120,156,488	62,813,993	—	182,970,481	81,255,717	—	(81,255,717)	—	
Other receivables	—	—	172,409,033	—	172,409,033	—	—	—	—	
2										
Provision for impairment loss of short-term investments	—	—	—	—	—	—	—	—	—	—
Including: Investments in stock securities	—	—	—	—	—	—	—	—	—	—
Investments in debt securities	—	—	—	—	—	—	—	—	—	—
3										
Provision for inventory obsolescence	—	198,538,611	277,776,722	(156,212,234)	320,103,099	22,216,000	—	(22,216,000)	—	
Including: Raw materials	—	32,264,408	12,360,191	—	44,624,599	10,005,121	—	(10,005,121)	—	
Work-in-progress	—	1,968,783	—	(322,186)	1,646,597	1,103,350	—	(1,103,350)	—	
Commodities	—	164,305,420	265,416,531	(155,890,048)	273,831,903	11,107,529	—	(11,107,529)	—	
4										
Provision for impairment loss of long-term investments	74,129,000	—	59,381,641	—	133,510,641	74,129,000	—	—	74,129,000	
Including: Long-term equity investments	74,129,000	—	59,381,641	—	133,510,641	74,129,000	—	—	74,129,000	
Long-term investments in debt securities	—	—	—	—	—	—	—	—	—	
5										
Provision for impairment of fixed assets	—	—	—	—	—	—	—	—	—	—
Including: Buildings	—	—	—	—	—	—	—	—	—	—
Machinery and equipment	—	—	—	—	—	—	—	—	—	—
6										
Provision for impairment loss of intangible assets	—	—	—	—	—	—	—	—	—	—
Including: Technology know-how	—	—	—	—	—	—	—	—	—	—
Trademark	—	—	—	—	—	—	—	—	—	—
7										
Provision for impairment loss of construction-in-progress	—	—	—	—	—	—	—	—	—	—
8										
Provision for impairment loss of entrusted loans	—	—	—	—	—	—	—	—	—	—

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

Legal Representative
Gu Chu Jun

Financial Controller
Li Zhi Cheng

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