

**(A) FINANCIAL STATEMENTS PREPARED UNDER THE PRC ACCOUNTING RULES AND REGULATIONS
CONSOLIDATED BALANCE SHEET**

	Note	At 30 June 2002 RMB millions	At 31 December 2001 RMB millions
Assets			
Current assets			
Cash at bank and in hand	5	21,210	22,854
Bills receivable	6	4,316	3,542
Interest receivable		2	16
Trade accounts receivables	7	13,265	11,082
Other receivables	8	21,072	19,802
Advance payments	9	3,598	4,021
Inventories	10	46,874	45,448
Total current assets		110,337	106,765
Long-term equity investments (Including equity investment differences of RMB626 million (2001: RMB438 million))	11	10,128	8,910
Fixed assets			
Fixed assets, at cost		404,152	390,533
Less: Accumulated depreciation		188,963	177,040
	12	215,189	213,493
Less: Provision for impairment loss on fixed assets	12	391	391
Net book value of fixed assets		214,798	213,102
Construction materials	13	855	774
Construction in progress	14	31,022	26,006
Total fixed assets		246,675	239,882
Intangible assets	15	3,904	3,977
Deferred tax assets	16	621	760
Total assets		371,665	360,294
Liabilities and shareholders' funds			
Current liabilities			
Short-term loans	17	31,808	37,915
Bills payable	18	32,903	26,022
Trade accounts payables	19	17,655	16,793
Receipts in advance	20	3,075	2,884
Wages payable		1,268	1,020
Staff welfare payable		968	888
Dividend payable	39	8,670	6,936
Taxes payable	21	3,053	3,587
Other payables	22	1,128	1,035
Other creditors	23	21,976	20,112
Accrued expenses	24	1,559	873
Current portion of long-term liabilities	25	10,018	11,296
Total current liabilities		134,081	129,361
Long-term liabilities			
Long-term loans	26	68,968	65,501
Debentures payable	27	1,500	1,500
Other long-term payables	28	701	806
Total long-term liabilities		71,169	67,807
Deferred tax liabilities	16	688	679
Total liabilities		205,938	197,847
Minority interests		23,918	23,408
Shareholders' funds			
Share capital	29	86,702	86,702
Capital reserve	30	36,297	36,297
Surplus reserves (Including statutory public welfare fund of RMB3,467 million (2001: RMB3,017 million))	31	6,934	6,034
Undistributed profits		11,876	10,006
Total shareholders' funds		141,809	139,039
Total liabilities and shareholders' funds		371,665	360,294

Approved by the Board of Directors on 16 August 2002.

Li Yizhong
Chairman

Wang Jiming
Director and President

Zhang Jiaren
Director, Vice President and
Chief Financial Officer

The notes to the financial statements form part of these interim financial statements.