

# Balance Sheets

(Prepared in accordance with International Financial Reporting Standards)

AS AT 31ST DECEMBER, 2002

(Amounts expressed in thousands of Rmb)

	Notes	The Company and its subsidiaries As at 31st December,		The Company As at 31st December,	
		2002	2001	2002	2001
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment, net	10	41,103,468	37,557,114	35,952,425	34,868,277
Investment in an associate	11	200,960	226,488	200,960	226,488
Investment in subsidiaries	12	—	—	1,864,996	860,967
Available-for-sale investments	13	254,990	—	254,990	—
Other long-term assets		1,067,838	970,759	1,330,449	1,611,755
Goodwill	14	126,560	—	45,612	—
Less: Negative goodwill	14	(1,978,227)	(2,225,505)	(1,978,227)	(2,225,505)
Total non-current assets		40,775,589	36,528,856	37,671,205	35,341,982
<b>Current assets</b>					
Inventories, net	15	923,341	718,997	748,267	638,108
Due from a subsidiary		—	—	—	18,266
Other receivables and assets, net	16	242,905	240,545	460,037	230,707
Accounts receivable	17	2,361,833	1,407,171	1,985,374	1,331,720
Restricted cash		13,259	—	13,008	—
Temporary cash investments	18	1,141,502	6,224,070	1,136,356	5,995,752
Cash and cash equivalents	35(a)	3,002,601	2,173,136	2,703,918	2,129,332
Total current assets		7,685,441	10,763,919	7,046,960	10,343,885
Total assets		48,461,030	47,292,775	44,718,165	45,685,867
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>					
4,250,000,000 PRC Domestic Shares, par value Rmb1.00 each, in form of legal person shares	19	4,250,000	4,250,000	4,250,000	4,250,000
250,000,000 A shares, par value Rmb1.00 each	19	250,000	250,000	250,000	250,000
1,500,273,960 Overseas Listed Foreign Shares, par value Rmb1.00 each	19	1,500,274	1,500,000	1,500,274	1,500,000
Additional paid-in capital		10,604,843	10,137,732	10,604,843	10,137,732
Dedicated capital	20	3,373,423	2,659,012	3,373,423	2,659,012
Equity component of convertible notes	22	44,647	510,506	44,647	510,506
Retained earnings		10,392,873	8,986,280	10,392,873	8,986,280
Total shareholders' equity		30,416,060	28,293,530	30,416,060	28,293,530
Minority interests	33	910,704	486,261	—	—

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<b>Non-current liabilities</b>					
Liability component of convertible notes	22	155,999	—	155,999	—
Long-term loans from shareholders	23	388,891	777,717	388,891	777,717
Long-term bank loans	24	8,464,521	8,691,246	6,463,815	8,081,033
Other long-term loans	25	331,389	106,799	225,000	—
Other financial liabilities	38	19,397	14,875	19,397	14,875
Deferred tax liabilities	29	121,853	—	15,030	—
Total non-current liabilities		9,482,050	9,590,637	7,268,132	8,873,625
<b>Current liabilities</b>					
Accounts payable and other liabilities	26	3,734,350	2,657,223	3,583,488	2,496,379
Taxes payable	27	620,189	521,193	395,661	441,190
Due to HIPDC	7i	100,475	36,584	100,475	36,584
Due to other related parties		—	3,225	—	3,225
Staff welfare and bonus payable		233,566	376,193	231,726	362,310
Short-term loans	28	550,000	40,000	550,000	—
Current portion of long-term loans from shareholders	23	388,891	15,565	388,891	15,565
Current portion of long-term bank loans	24	1,928,732	2,630,008	1,783,732	2,630,008
Current portion of other long-term loans	25	96,013	283,273	—	174,368
Liability component of convertible notes	22	—	1,703,443	—	1,703,443
Put option of convertible notes	22	—	655,640	—	655,640
Total current liabilities		7,652,216	8,922,347	7,033,973	8,518,712
Total equity and liabilities		48,461,030	47,292,775	44,718,165	45,685,867

These financial statements have been approved for issue by the Board of Directors on 12th March, 2003.

**Wang Xiaosong**  
Vice Chairman

**Ye Daji**  
Director

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