

Balance Sheet

(Prepared under PRC accounting standards)

31 December 2002

ASSETS	Note V	2002 RMB	2001 RMB
CURRENT ASSETS:			
Cash and balances with financial institutions		845,289,976	1,184,277,534
Short term investments		11,304,862	111,796,803
Bills receivable		665,983,907	878,198,188
Trade receivables	5	187,781,966	303,515,418
Other receivables	6	39,054,269	34,149,028
Prepayments		316,661,517	390,414,603
Inventories		1,590,190,565	1,768,864,682
Long term debt investments due within a year		-	1,600,000
Total current assets		3,656,267,062	4,672,816,256
LONG TERM INVESTMENTS:			
Long term equity investments	10	934,618,934	409,133,363
Long term debt investments	10	21,558,870	21,558,870
Total long term investments		956,177,804	430,692,233
FIXED ASSETS:			
Cost		14,730,595,218	14,947,024,173
Less: Accumulated depreciation		(5,098,645,065)	(4,783,866,830)
Net book value		9,631,950,153	10,163,157,343
Less: Impairment provision		(296,367,100)	(125,431,412)
Fixed assets, net		9,335,583,053	10,037,725,931
Construction materials		372,747,226	329,936,821
Construction in progress		1,820,266,051	315,159,819
Total fixed assets		11,528,596,330	10,682,822,571
INTANGIBLE AND OTHER ASSETS:			
Intangible assets		859,828,996	880,394,034
TOTAL ASSETS		17,000,870,192	16,666,725,094

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

Balance Sheet (continued)

(Prepared under PRC accounting standards)

31 December 2002

LIABILITIES AND SHAREHOLDERS' FUNDS	Note V	2002 RMB	2001 RMB
CURRENT LIABILITIES:			
Short term loans		918,977,295	985,930,885
Trade payables		988,809,099	800,863,986
Deposits received		785,645,584	540,367,958
Wages payable		26,898,416	500,175
Staff welfare payable		22,711,728	11,877,086
Dividend payable	41	225,935,500	129,106,000
Tax payable		96,182,914	258,528,426
Other taxes payable		20,870,970	16,834,518
Other payables		207,998,183	190,860,649
Accrued charges		192,290,163	235,172,949
Long term loans due within a year		214,472,075	245,826,493
Total current liabilities		3,700,791,927	3,415,869,125
LONG TERM LIABILITIES:			
Long term loans		751,972,264	821,914,033
Specific payables		525,840,000	485,840,000
Other long term liabilities		158,047,270	182,067,859
Total long term liabilities		1,435,859,534	1,489,821,892
DEFERRED CREDIT	44	-	1,373,630,913
SHAREHOLDERS' FUNDS:			
Share capital	28	6,455,300,000	6,455,300,000
Capital reserve	29	4,864,975,395	3,491,344,482
Surplus reserves	30	500,750,288	420,370,310
including: statutory public welfare fund	30	250,375,144	210,185,155
Retained profits		43,193,048	20,388,372
Total shareholders' funds		11,864,218,731	10,387,403,164
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		17,000,870,192	16,666,725,094

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

Company Representative:
Gu Jianguo
2 April 2003

Chief Accountant:
Su Jianguo
2 April 2003

Head of Accounting Department:
Guan Yagang
2 April 2003