

(A) FINANCIAL STATEMENTS PREPARED UNDER THE PRC ACCOUNTING RULES AND REGULATIONS

CONSOLIDATED BALANCE SHEET

at 31 December 2003

	Note	2003 RMB millions	2002 RMB millions
Assets			
Current assets			
Cash at bank and in hand	5	17,405	18,712
Bills receivable	6	5,953	4,684
Trade accounts receivable	7	9,284	10,670
Other receivables	8	15,457	16,817
Advance payments	9	3,904	3,193
Inventories	10	44,915	44,932
Total current assets		96,918	99,008
Long-term equity investments (Including equity investment differences of RMB 400 million (2002: RMB 532 million))	11	11,150	11,025
Fixed assets			
Fixed assets, at cost		461,128	431,391
Less: Accumulated depreciation		213,804	199,602
	12	247,324	231,789
Less: Provision for impairment loss on fixed assets	12	1,331	391
Net book value of fixed assets		245,993	231,398
Construction materials	13	1,226	1,403
Construction in progress	14	28,513	21,122
Total fixed assets		275,732	253,923
Intangible assets and other assets			
Intangible assets	15	4,564	4,062
Long term deferred expenses		97	—
Total intangible assets and other assets		4,661	4,062
Deferred tax assets	16	1,752	357
Total assets		390,213	368,375
Liabilities and shareholders' funds			
Current liabilities			
Short-term loans	17	20,904	26,979
Bills payable	18	23,958	30,139
Trade accounts payable	19	22,704	19,212
Receipts in advance	20	5,908	3,767
Wages payable		1,850	1,447
Staff welfare payable		1,230	1,024
Taxes payable	21	6,986	3,380
Other payables	22	1,237	1,054
Other creditors	23	27,537	19,787
Accrued expenses	24	303	561
Current portion of long-term liabilities	25	8,175	8,573
Total current liabilities		120,792	115,923
Long-term liabilities			
Long-term loans	26	79,221	73,708
Debentures payable	27	—	1,500
Other long-term payables	28	888	944
Total long-term liabilities		80,109	76,152
Deferred tax liabilities	16	289	474
Total liabilities		201,190	192,549
Minority interests			
		26,077	24,109
Shareholders' funds			
Share capital	29	86,702	86,702
Capital reserve	30	36,852	36,588
Surplus reserves (Including statutory public welfare fund of RMB 6,330 million (2002: RMB 4,429 million))	31	19,660	15,858
Unrecognised investment losses		(243)	—
Undistributed profits (Including dividend declared after the balance sheet date in respect of the year 2003 of RMB 5,202 million (2002: RMB 5,202 million))	2&39	19,975	12,569
Total shareholders' funds		162,946	151,717
Total liabilities and shareholders' funds		390,213	368,375

Approved by the Board of Directors on 26 March 2004.

Chen Tonghai
Chairman
(Authorised representative)

Wang Jiming
Vice Chairman and President

Zhang Jiaren
Director, Senior Vice President
and Chief Financial Officer

Liu Yun
Head of
Accounting
Division

The notes on pages 96 to 125 form part of these financial statements.