

## Balance Sheets

As at December 31, 2003

(In RMB Yuan)

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>December 31, 2003 Group</b>	December 31, 2002 Group	<b>December 31, 2003 Company</b>	December 31, 2002 Company
<b>CURRENT ASSETS</b>				
Cash and bank (Note V-1)	35,498,819	32,804,641	30,675,068	29,575,296
Short-term investments	-	-	-	-
Notes receivable (Note V-2)	31,487,455	6,355,009	30,847,455	6,355,009
Dividend receivable	-	-	-	-
Interest receivable	-	-	-	-
Accounts receivable (Note V-3) (Note VI-1)	153,268,657	678,569,672	228,521,231	703,699,081
Other receivables (Note V-4) (Note VI-2)	35,615,442	53,421,209	15,026,666	34,320,967
Advances to suppliers (Note V-5)	219,531,546	181,636,501	218,715,694	181,392,379
Subsidy receivable	-	-	-	-
Inventories (Note V-6)	1,568,092,833	1,394,227,961	1,524,683,504	1,385,901,762
Prepaid expenses (Note V-7)	12,395,263	17,392,209	12,003,154	16,749,750
Long-term bond investments maturing within one year	-	-	-	-
Other current assets	-	-	-	-
<b>Total current assets</b>	<b>2,055,890,015</b>	<b>2,364,407,202</b>	<b>2,060,472,772</b>	<b>2,357,994,244</b>
<b>LONG-TERM INVESTMENTS</b>				
Long-term equity investments (Note V-8) (Note VI-3)	58,630,291	62,967,330	161,027,860	173,718,909
Long-term bond investments	-	-	-	-
<b>Total long-term investments</b>	<b>58,630,291</b>	<b>62,967,330</b>	<b>161,027,860</b>	<b>173,718,909</b>
Including: Consolidation difference				
<b>FIXED ASSETS</b>				
Fixed assets-cost	15,922,817,553	14,256,524,163	15,551,363,296	13,888,213,906
Less: Accumulated depreciation	(5,879,358,440)	(5,044,779,819)	(5,719,658,380)	(4,907,349,217)
Fixed assets-net book value	10,043,459,113	9,211,744,344	9,831,704,916	8,980,864,689
Less: Impairment of fixed assets	(323,843,932)	(323,843,932)	(309,861,188)	(309,861,188)
Fixed assets-net book amount (Note V-9)	9,719,615,181	8,887,900,412	9,521,843,728	8,671,003,501
Construction materials	3,130,000	4,525,097	3,130,000	4,525,097
Construction in progress (Note V-10)	32,361,820	1,590,672,260	32,361,820	1,590,672,260
Fixed assets pending disposal	-	-	-	-
<b>Total fixed assets</b>	<b>9,755,107,001</b>	<b>10,483,097,769</b>	<b>9,557,335,548</b>	<b>10,266,200,858</b>
<b>INTANGIBLE AND OTHER ASSETS</b>				
Intangible assets (Note V-11)	1,463,518,889	1,303,212,386	1,462,399,217	1,302,048,855
Long-term deferred expenses (Note V-12)	101,751,642	122,546,224	101,751,642	122,546,224
Other long-term assets	-	-	-	-
<b>Total intangible and other assets</b>	<b>1,565,270,531</b>	<b>1,425,758,610</b>	<b>1,564,150,859</b>	<b>1,424,595,079</b>
<b>DEFERRED TAXES</b>				
Deferred tax assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>13,434,897,838</b>	<b>14,336,230,911</b>	<b>13,342,987,039</b>	<b>14,222,509,090</b>

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

## Balance Sheets

As of December 31, 2003

(In RMB Yuan)

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2003 Group	December 31, 2002 Group	December 31, 2003 Company	December 31, 2002 Company
<b>CURRENT LIABILITIES</b>				
Short-term loans (Note V-13)	3,204,600,000	3,876,460,000	3,155,000,000	3,792,860,000
Notes payable	-	-	-	-
Accounts payable (Note V-14)	1,844,980,631	1,424,133,274	1,861,455,634	1,422,262,548
Advances from customers (Note V-14)	1,271,055,240	257,236,354	1,244,157,924	246,439,988
Salaries payable	124,125,535	73,643,339	124,125,535	64,289,563
Welfare payable	34,342,677	21,767,283	27,310,869	15,227,441
Dividend payable	-	-	-	-
Taxes payable (Note V-15)	174,919,468	(86,116,348)	181,634,303	(86,999,589)
Other levies payable	-	-	-	-
Other payables (Note V-14)	111,184,160	365,354,975	110,412,394	396,753,167
Accrued expenses (Note V-16)	53,728,325	28,397,947	53,728,325	28,397,947
Provisions	-	-	-	-
Long-term liabilities due within one year (Note V-17)	897,399,277	1,660,224,778	897,399,277	1,660,224,778
Other current liabilities	-	-	-	-
<b>Total current liabilities</b>	<b>7,716,335,313</b>	<b>7,621,101,602</b>	<b>7,655,224,261</b>	<b>7,539,455,843</b>
<b>LONG-TERM LIABILITIES</b>				
Long-term loans (Note V-18)	2,077,640,306	2,935,908,319	2,077,640,306	2,935,908,319
Debentures payable	-	-	-	-
Payables due after one year	-	-	-	-
Special project payables	-	-	-	-
Other long-term liabilities (Note V-19)	330,258,094	890,896,547	330,258,094	890,896,547
<b>Total long-term liabilities</b>	<b>2,407,898,400</b>	<b>3,826,804,866</b>	<b>2,407,898,400</b>	<b>3,826,804,866</b>
<b>DEFERRED TAXES</b>				
Deferred tax liabilities	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>10,124,233,713</b>	<b>11,447,906,468</b>	<b>10,063,122,661</b>	<b>11,366,260,709</b>
<b>MINORITY INTERESTS</b>	<b>30,799,747</b>	<b>32,455,217</b>	<b>-</b>	<b>-</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital (Note V-20)	3,561,078,000	3,561,078,000	3,561,078,000	3,561,078,000
Capital surplus (Note V-21)	2,293,618,886	2,293,618,886	2,293,618,886	2,293,618,886
Statutory common reserve fund (Note V-22)	701,442,717	701,442,717	693,730,248	693,730,248
Including: Statutory common welfare fund	126,834,279	126,834,279	125,287,623	125,287,623
Accumulated losses (Note V-23)	(3,276,275,225)	(3,700,270,377)	(3,268,562,756)	(3,692,178,753)
Foreign exchange difference reserve	-	-	-	-
<b>Total shareholders' equity</b>	<b>3,279,864,378</b>	<b>2,855,869,226</b>	<b>3,279,864,378</b>	<b>2,856,248,381</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>13,434,897,838</b>	<b>14,336,230,911</b>	<b>13,342,987,039</b>	<b>14,222,509,090</b>

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

Legal representative: <b>Yu Li</b>	General manager: <b>Shi Jian Xun</b>	Person in charge of accounting function: <b>Zhang Li Yan</b>	Person in charge of accounting department: <b>Liao Hong Wei</b>
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