

# Asset Impairment Provision

As of December 31, 2003

(Amounts in RMB Yuan, unless otherwise stated)

Items	As of January 1, 2003		Current year addition		Reverl caused by increase of assets value		Current year reduction		Total		As of December 31, 2003	
	Group	Company	Group	Company	Group	Company	Other transfer-out (Note)		Group	Company	Group	Company
							Group	Company				
<b>1. Bad debt provision</b>	941,453,082	941,449,525	100,713,102	100,713,102	-	-	(101,751,866)	(101,751,866)	(101,751,866)	(101,751,866)	940,414,318	940,410,761
Including: Accounts receivable	865,214,765	865,211,208	100,713,102	100,713,102	-	-	(97,656,702)	(97,656,702)	(97,656,702)	(97,656,702)	868,271,165	868,267,608
Other receivables	76,238,317	76,238,317	-	-	-	-	(4,095,164)	(4,095,164)	(4,095,164)	(4,095,164)	72,143,153	72,143,153
<b>2. Provision for impairment of short-term investments</b>	-	-	-	-	-	-	-	-	-	-	-	-
Including: Equity investments	-	-	-	-	-	-	-	-	-	-	-	-
Bond investments	-	-	-	-	-	-	-	-	-	-	-	-
<b>3. Inventory provision</b>	178,763,560	178,763,560	12,855,858	12,855,858	(1,874,633)	(1,874,633)	(10,991,949)	(10,991,949)	(12,866,582)	(12,866,582)	178,752,836	178,752,836
Including: Raw materials	46,670,167	46,670,167	11,908,852	11,908,852	-	-	-	-	-	-	58,579,019	58,579,019
Work in progress	8,360,704	8,360,704	-	-	-	-	(1,210,772)	(1,210,772)	(1,210,772)	(1,210,772)	7,149,932	7,149,932
Finished goods	27,515,961	27,515,961	-	-	(1,874,633)	(1,874,633)	(3,927,093)	(3,927,093)	(5,801,726)	(5,801,726)	21,714,235	21,714,235
Spare parts	96,216,728	96,216,728	-	-	-	-	(5,854,084)	(5,854,084)	(5,854,084)	(5,854,084)	90,362,644	90,362,644
Low value consumables and packing materials	-	-	947,006	947,006	-	-	-	-	-	-	947,006	947,006
<b>4. Provision for impairment of long-term investments</b>	-	-	-	-	-	-	-	-	-	-	-	-
Including: Long-term equity investments	-	-	-	-	-	-	-	-	-	-	-	-
Long-term bond investments	-	-	-	-	-	-	-	-	-	-	-	-
<b>5. Provision for impairment of fixed assets</b>	323,843,932	309,861,188	-	-	-	-	-	-	-	-	323,843,932	309,861,188
Including: Buildings	58,153,374	57,553,374	-	-	-	-	-	-	-	-	58,153,374	57,553,374
Machinery	208,243,922	206,691,178	-	-	-	-	-	-	-	-	208,243,922	206,691,178
Equipment	52,908,460	44,378,460	-	-	-	-	-	-	-	-	52,908,460	44,378,460
Motor vehicles	4,538,176	1,238,176	-	-	-	-	-	-	-	-	4,538,176	1,238,176
<b>6. Provision for impairment of intangible assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
Including: Technical know-how	-	-	-	-	-	-	-	-	-	-	-	-
Patent	-	-	-	-	-	-	-	-	-	-	-	-
<b>7. Provision for impairment of construction in progress</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>8. Provision for trust loan</b>	-	-	-	-	-	-	-	-	-	-	-	-

Note:

- The reduction in bad debt provision in 2003 represented the write-off of receivables and related bad debt provision due to the bankruptcy of the debtors.
- The other transfer-out of inventory provision in 2003 represents the utilization of the provision due to the sale or usage of the inventories.