

Balance Sheet

(Prepared under PRC accounting standards)
31 December 2003

ASSETS	Note V	31 December 2003 RMB	31 December 2002 RMB
CURRENT ASSETS:			
Cash and balances with financial institutions		1,711,723,001	845,289,976
Short term investments		13,568,593	11,304,862
Bills receivable		2,118,401,173	665,983,907
Trade receivables	5	168,805,318	187,781,966
Other receivables	6	40,958,128	39,054,269
Prepayments		1,253,686,040	689,082,352
Inventories		2,272,282,418	1,590,190,565
Total current assets		<u>7,579,424,671</u>	<u>4,028,687,897</u>
LONG TERM INVESTMENTS:			
Long term equity investments	9	370,479,670	95,964,625
Long term debt investment	9	16,238,870	21,558,870
Total long term investments		<u>386,718,540</u>	<u>117,523,495</u>
FIXED ASSETS:			
Cost		19,767,101,733	14,730,595,218
Less: Accumulated depreciation		(5,836,284,161)	(5,098,645,065)
Net book value		13,930,817,572	9,631,950,153
Less: Impairment provision		(200,566,300)	(296,367,100)
Fixed assets, net		13,730,251,272	9,335,583,053
Construction materials		321,028,274	838,980,700
Construction in progress		2,931,283,354	1,820,266,051
Total fixed assets		<u>16,982,562,900</u>	<u>11,994,829,804</u>
INTANGIBLE AND OTHER ASSETS:			
Intangible assets		839,456,499	859,828,996
TOTAL ASSETS		<u><u>25,788,162,610</u></u>	<u><u>17,000,870,192</u></u>

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

Balance Sheet (continued)

(Prepared under PRC accounting standards)
31 December 2003

LIABILITIES AND SHAREHOLDERS' FUNDS	Note V	31 December 2003 RMB	31 December 2002 RMB
CURRENT LIABILITIES:			
Short term loans		1,919,932,705	918,977,295
Trade payables		2,082,966,940	988,809,099
Deposits received		1,393,980,517	785,645,584
Wages payable		590,914	26,898,416
Staff welfare payable		27,043,788	22,711,728
Tax payable		343,324,177	96,182,914
Other taxes payable		32,098,848	20,870,970
Other payables		449,956,598	207,998,183
Accrued charges		128,749,311	192,290,163
Long term loans due within a year		83,997,290	214,472,075
Total current liabilities		<u>6,462,641,088</u>	<u>3,474,856,427</u>
LONG TERM LIABILITIES:			
Long term loans		3,949,955,131	751,972,264
Specific payables		276,980,000	525,840,000
Other long term liabilities		126,702,670	158,047,270
Total long term liabilities		<u>4,353,637,801</u>	<u>1,435,859,534</u>
Total liabilities		<u>10,816,278,889</u>	<u>4,910,715,961</u>
SHAREHOLDERS' FUNDS:			
Share capital	27	6,455,300,000	6,455,300,000
Capital reserve	28	5,169,865,095	4,864,975,395
Surplus reserves	29	1,061,305,346	500,750,288
including: statutory public welfare fund	29	530,652,673	250,375,144
Retained profits		929,800,280	43,193,048
Proposed ordinary share dividend	42	1,355,613,000	225,935,500
Total shareholders' funds		<u>14,971,883,721</u>	<u>12,090,154,231</u>
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		<u>25,788,162,610</u>	<u>17,000,870,192</u>

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

Company Representative:
Gu Jianguo
13 April 2004

Chief Accountant:
Su Jianguo
13 April 2004

Head of Accounting Department:
Guan Yagang
13 April 2004