

BALANCE SHEET

Appendix I

Interim financial report prepared under the PRC accounting standards

Unit: RMB

Assets	Notes	2004.6.30		2003.12.31	
		HOLDING COMPANY	GROUP	HOLDING COMPANY	GROUP
CURRENT ASSETS:					
Cash and cash equivalents	6.1	394,064,485.76	883,967,038.74	614,090,338.19	1,138,449,556.86
Short-term investment		-	-	-	-
Notes receivable	6.2	8,618,365.00	8,618,365.00	23,298,242.05	23,298,242.05
Dividends receivable		-	-	-	-
Interests receivable		-	-	-	-
Accounts receivable	6.3	238,688,205.39	282,859,075.90	194,497,787.50	207,042,778.17
Other receivable	6.4	1,583,287,691.88	84,721,730.63	1,634,238,910.14	36,437,493.87
Prepayments	6.5	311,638,167.50	323,817,053.66	234,764,311.99	238,445,595.87
		-	-	-	-
Inventory	6.6	120,943,984.52	129,117,279.29	112,710,901.74	115,820,335.89
Prepaid expense		143,197.42	936,084.96	263,213.92	283,672.04
Long-term debt investment due within 1 year		-	-	-	-
Other current assets		-	-	-	-
TOTAL CURRENT ASSETS		2,657,384,097.47	1,714,036,628.18	2,813,863,705.53	1,759,777,674.75
LONG-TERM INVESTMENTS:					
Long-term equity investment		274,834,106.85	91,596,303.24	203,818,778.77	68,920,157.87
Long-term debt investment		-	-	-	-
TOTAL LONG-TERM INVESTMENTS	6.7	274,834,106.85	91,596,303.24	203,818,778.77	68,920,157.87
Including: equity investment difference		-	-862,237.50	-	-919,720.00
FIX ASSETS:					
Fixed assets-cost:	6.8	11,634,348,723.32	13,707,861,117.93	11,272,087,486.44	13,344,845,320.25
Less: Accumulated depreciation		5,806,449,384.99	6,744,202,899.19	5,498,022,473.26	6,391,881,715.35
Fixed assets-net value		5,827,899,338.33	6,963,658,218.74	5,774,065,013.18	6,952,963,604.90
Less: provision devaluation of fixed assets		936,268.00	936,268.00	936,268.00	936,268.00
Fixed assets net book value		5,826,963,070.33	6,962,721,950.74	5,773,128,745.18	6,952,027,336.90
Construction material					
Construction in progress	6.9	1,540,235,693.95	1,593,287,127.27	774,149,750.69	774,149,750.69
Disposal of fixed assets					
TOTAL OF FIX ASSETS		7,367,198,764.28	8,556,009,078.01	6,547,278,495.87	7,726,177,087.59
INTANGIBLE ASSETS AND OTHER ASSETS:					
Intangible assets	6.10	5,465,409.73	5,465,409.73	5,453,465.91	5,453,465.91
Long-term deferred expenses	6.11	22,884,540.00	22,884,540.00	24,217,620.00	24,217,620.00
Other long-term assets					
TOTAL OF INTANGIBLE ASSETS AND OTHER ASSETS		28,349,949.73	28,349,949.73	29,671,085.91	29,671,085.91
DEFERRED TAX:					
Deferred tax debits					
TOTAL ASSETS		10,327,766,918.33	10,389,991,959.16	9,594,632,066.08	9,584,546,006.12

BALANCE SHEET (continued)

Unit: RMB

LIABILITIES AND OWNER'S EQUITY	Notes	2004.6.30		2003.12.31	
		HOLDING COMPANY	GROUP	HOLDING COMPANY	GROUP
CURRENT LIABILITIES:					
Short-term loans	6.12	-	50,000,000.00	-	3,000,000.00
Notes payable		-	-	-	-
Accounts payable	6.13	211,693,121.60	233,547,647.04	140,716,782.46	152,157,503.69
Advances from customers	6.14	10,378,823.89	29,222,848.25	16,109,782.38	21,134,782.38
Accrued payroll		-	-	-	-
Accrued welfare		144,588,769.39	146,991,917.68	133,686,887.41	135,553,566.64
Dividends payable		-	-	-	-
Taxes payable	6.15	39,783,123.66	42,116,142.83	30,890,021.98	32,586,615.73
Other taxes payable	6.16	409,282.49	654,560.48	412,917.68	583,146.30
Other payable	6.17	171,767,749.64	127,144,784.08	187,468,863.03	143,459,559.66
Accrued expenses	6.18	42,007,754.99	43,068,678.71	4,959,391.83	4,970,048.83
Accrued liabilities		-	-	-	-
Long-term liabilities due within 1 year	6.19	270,501,048.80	270,501,048.80	268,146,250.80	268,146,250.80
Other currents liabilities		-	-	-	-
TOTAL OF CURRENT LIABILITIES		891,129,674.46	943,247,627.87	782,390,897.57	761,591,474.03
LONG-TERM LIABILITIES:					
Long-term loans	6.20	1,822,507,300.00	1,822,507,300.00	1,571,902,300.00	1,571,902,300.00
Debentures payable		-	-	-	-
Long-term payable	6.21	87,853,267.39	87,853,267.39	110,195,553.56	110,195,553.56
Other long-term loans		-	-	-	-
TOTAL OF LONG TERM LIABILITIES		1,910,360,567.39	1,910,360,567.39	1,682,097,853.56	1,682,097,853.56
DEFERRED TAX:					
Deferred tax credits	6.22	-	-	-	-
Deferred revenue		1,790,766.16	1,790,766.16	3,562,067.53	3,562,067.53
TOTAL LIABILITIES		2,803,281,008.01	2,855,398,961.42	2,468,050,818.66	2,447,251,395.12
MINORITY INTEREST		-	6,690,836.59	-	6,136,918.74
OWNER'S EQUITY:					
Share capital	6.23	3,326,000,000.00	3,326,000,000.00	3,326,000,000.00	3,326,000,000.00
Capital surplus	6.24	2,053,720,693.55	2,053,720,693.55	2,053,720,693.55	2,053,720,693.55
Reserved fund	6.25	441,344,682.27	447,850,583.34	441,344,682.27	447,850,583.34
Including: statutory public welfare reserve		154,960,461.68	157,194,775.33	154,960,461.68	157,194,775.33
Difference of foreign currency translation		-	-69,347.00	-	13,685.45
Retained earnings	6.26	1,703,420,534.50	1,700,400,231.26	1,305,515,871.60	1,303,572,729.92
TOTAL OWNER'S EQUITY		7,524,485,910.32	7,527,902,161.15	7,126,581,247.42	7,131,157,692.26
TOTAL LIABILITIES AND OWNER'S EQUITY		10,327,766,918.33	10,389,991,959.16	9,594,632,066.08	9,584,546,006.12