

B. Interim Financial Statements prepared under PRC Accounting Rules and Regulations

Balance Sheets (unaudited)

	Note	The Group		The Company	
		At 30 June 2004 RMB'000	At 31 December 2003 RMB'000 (audited)	At 30 June 2004 RMB'000	At 31 December 2003 RMB'000 (audited)
Assets					
Current assets					
Cash at bank and in hand	3	1,633,173	2,006,236	1,213,555	1,435,735
Bills receivable	4	1,792,536	1,333,093	1,681,466	1,203,651
Trade debtors	5	653,313	597,508	459,768	482,277
Other debtors	6	547,313	401,478	495,471	309,693
Advance payments	7	280,142	179,464	228,216	142,111
Inventories	8	3,673,020	3,475,872	3,164,124	2,990,532
Total current assets		8,579,497	7,993,651	7,242,600	6,563,999
Long-term investments					
Long-term equity investments	9	2,371,128	2,090,578	3,746,089	3,379,501
Fixed assets					
Fixed assets at cost	10	31,828,772	31,740,428	27,963,551	27,906,284
Less: Accumulated depreciation	10	15,487,730	14,683,112	13,786,744	13,083,483
		16,341,042	17,057,316	14,176,807	14,822,801
Less: Provision for impairment loss on fixed assets	10	58,945	24,600	58,945	24,600
Fixed assets net book value	10	16,282,097	17,032,716	14,117,862	14,798,201
Construction materials	11	28,730	28,387	28,153	27,810
Construction in progress	12	898,069	374,780	858,544	351,480
Total fixed assets		17,208,896	17,435,883	15,004,559	15,177,491
Intangible assets	13	29,139	35,863	29,139	35,863
Deferred tax assets	14(c)	41,280	24,853	39,873	24,853
Total assets		28,229,940	27,580,828	26,062,260	25,181,707

The notes on pages 44 to 84 form part of these unaudited financial statements.

Balance Sheets *(unaudited)(continued)*

	Note	The Group		The Company	
		At 30 June	At 31 December	At 30 June	At 31 December
		2004	2003	2004	2003
		RMB'000	RMB'000	RMB'000	RMB'000
			(audited)		(audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans	15	3,912,446	4,575,588	3,145,614	3,694,990
Bills payable	16	185,734	265,693	162,328	190,737
Trade creditors	16	1,331,646	1,355,833	1,008,341	1,041,587
Receipts in advance	16	247,615	362,840	171,547	310,961
Wages payable		50,521	51,032	42,067	43,391
Staff welfare payable		66,237	68,335	31,536	30,684
Dividend payable	18	415,729	–	415,729	–
Taxes payable	14(b)	280,892	278,332	259,421	265,227
Other creditors		12,188	9,408	7,626	6,814
Other payables	16	617,331	491,945	565,606	379,518
Accrued expenses	17	32,209	21,508	20,964	13,019
Current portion of long-term loans	19	1,824,873	999,141	1,675,016	755,815
Total current liabilities		8,977,421	8,479,655	7,505,795	6,732,743
Long-term liabilities					
Long-term loans	19	2,387,827	3,206,848	2,094,249	2,941,948
Other long-term liabilities	20	40,310	46,069	–	–
Total long-term liabilities		2,428,137	3,252,917	2,094,249	2,941,948
Total liabilities		11,405,558	11,732,572	9,600,044	9,674,691
Minority interests		362,166	341,240	–	–
Shareholders' equity					
Share capital	21	7,200,000	7,200,000	7,200,000	7,200,000
Capital reserves	22	2,856,278	2,856,278	2,856,278	2,856,278
Surplus reserves	23	3,401,842	3,401,842	3,401,842	3,401,842
of which:					
Statutory public welfare fund		978,575	978,575	978,575	978,575
Undistributed profits		3,004,096	2,048,896	3,004,096	2,048,896
Total shareholders' equity		16,462,216	15,507,016	16,462,216	15,507,016
Total liabilities and shareholders' equity		28,229,940	27,580,828	26,062,260	25,181,707

The notes on pages 44 to 84 form part of these unaudited financial statements.