

Balance sheet

Financial Statements Prepared in Accordance with prc Accounting Standards

At 31st December 2000

	NOTES	2000 RMB	1999 RMB
ASSETS			
CURRENT ASSETS			
Cash	4	127,803,657	105,907,011
Short-term investments	5	67,000,000	-
Accounts receivable	6	33,907,203	36,839,913
Other receivables	7	2,536,914	2,517,137
Less: Allowance for doubtful accounts	6	15,761,298	15,761,298
Accounts receivable - net		20,682,819	23,595,752
Advance to suppliers	8	-	1,354,581
Inventories	9	219,285,872	205,469,216
Less: Inventory valuation allowance	9	46,636,109	46,636,109
Inventories - net		172,649,763	158,833,107
Unsettled disposal of current assets		34,655	-
Total current assets		388,170,894	289,690,451
LONG-TERM INVESTMENTS			
Long-term equity investments	10	2,000,000	2,000,000
Less: Provision for permanent diminution in value	10	2,000,000	2,000,000
Long-term investment - net		-	-

FIXED ASSETS

Fixed assets - cost	11	310,590,096	307,284,069
Less: Accumulated depreciation	11	98,910,570	84,189,719
Fixed assets - net	11	211,679,526	223,094,350
Unsettled disposal of fixed assets		82,013	-
Construction-in-progress	12	36,312,958	28,921,106
Total fixed assets		248,074,497	252,015,456

INTANGIBLE ASSETS AND OTHER ASSETS

Intangible assets	13	25,896,111	26,500,769
Long-term deferred expenses	14	7,293,196	7,695,934

Total intangible assets and other assets		33,189,307	34,196,703
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TOTAL ASSETS		669,434,698	575,902,610
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		2000	1999
	<i>NOTES</i>	RMB	RMB
LIABILITIES AND SHAREHOLDERS' EQUITY			

CURRENT LIABILITIES

Short-term loans	15	80,200,000	31,000,000
Accounts payable	16	4,540,138	7,593,321
Advance from customers	17	14,521,237	6,624,847
Payroll payable		2,976,542	2,976,542
Accrued welfare funds		913,576	288,272
Taxes payable	18	2,483,254	241,945
Other payables	19	9,062,721	10,416,742
Accrued expenses	20	1,600,000	1,000,000

Total current liabilities		116,297,468	60,141,669
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LONG-TERM LIABILITIES

Long-term loans	21	43,800,000	10,000,000
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Total long-term liabilities		43,800,000	10,000,000
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TOTAL LIABILITIES		160,097,468	70,141,669
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SHAREHOLDERS' EQUITY

Share capital	22	245,007,400	245,007,400
Capital surplus	23	305,280,480	305,280,480
Surplus reserves	24	16,812,656	16,812,656

Included: statutory public welfare fund	24	8,406,328	8,406,328
Deficit		(57,763,306)	(61,339,595)

Total shareholders' equity		509,337,230	505,760,941
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		669,434,698	575,902,610
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Notes are an integral part of financial statements.