## **BALANCE SHEETS**

AS OF 31ST DECEMBER, 2000 AND 1999 (Amounts expressed in thousands of Renminbi)

ASSETS   Non-current assets   Property, plant and equipment, net   3   6,204,983   5,300,403   Land use rights   4   755,282   775,121   Investment in a joint venture   5   26,205   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   - 2   26,005   -		Note	2000	1999
Non-current assets         Property, plant and equipment, net         3         6,204,983         5,300,403           Land use rights         4         755,282         775,121           Investment in a joint venture         5         26,205	ASSETS			(As restated)
Land use rights				
Investment in a joint venture   5	Property, plant and equipment, net	3	6,204,983	5,300,403
Current assets         6,986,470         6,075,524           Current assets         6         1,021,507         812,789           Trade receivables         7         1           - Unrelated companies         8         313,329         163,371           - Related companies         8         313,329         163,371           - Notes receivable         53,971         232,993           Prepayments and other current assets         149,437         237,649           Due from Parent Company         8         19,221         373,149           Cash         19(b)         286,137         578,726           Cash         19(b)         286,137         578,726           Cash         19(b)         286,137         578,727           Total assets         9,159,923         8,852,805           EQUITY AND LIABILITIES         2,173,453         2,777,281           Total assets         9         3,374,000         3,374,000           Reserves         10         2,356,372         2,211,053           Reserves         10         2,356,372         2,211,053           Non-current liabilities         31,883         127,183         127,183           Deferred tax liabilities         1,6	Land use rights	4		775,121
Current assets	Investment in a joint venture	5	26,205	
Inventories			6,986,470	6,075,524
Inventories	Current assets			
- Unrelated companies			1,021,507	812,789
Related companies		7	145 574	279 561
Notes receivable         53,971         232,993           Prepayments and other current assets         149,437         237,649           Due from Parent Company         8         13,281         73,142           Cash         19(b)         286,137         373,142           Cash         19(b)         286,137         578,776           Total assets         2,173,453         2,777,281           Capital assets           Capital and reserves           Share capital         9         3,374,000         3,374,000           Reserves         10         2,356,372         2,211,053           Non-current liabilities           Long-term bank loans, net of current portion         11(b)         1,388,063         1,235,905           Other long-term liabilities         31,853         127,183           Deferred tax liabilities         31,853         127,183           Current liabilities         31,642,990         1,665,030           Current liabilities           Accounts payable         7,030         1           Related companies         8         69,496         9,067           Notes payable         7,030         7           Re		8		
Due from Parent Company         8         13,281         -           Due from related companies         8         190,217         373,142           Cash         19(b)         286,137         578,776           EQUITY AND LIABILITIES         3,159,923         8,852,805           EQUITY AND LIABILITIES         3         3,374,000         3,374,000           Reserves         10         2,356,372         2,211,053           Non-current liabilities         9         3,374,000         3,374,000           Reserves         10         2,356,372         2,211,053           Non-current liabilities         9         3,374,000         3,74,000           Non-current liabilities         31,880,63         1,235,905           Other long-term liabilities         11(b)         1,388,063         1,235,905           Other long-term liabilities         12,15         223,074         301,942           Deferred tax liabilities         12,15         223,074         301,942           Current liabilities         58,818         55,491           - Related companies         58,818         69,496           - Notes payable         7,030         -           - Notes payable         7,030         - <t< td=""><td> Notes receivable</td><td></td><td>53,971</td><td>232,993</td></t<>	Notes receivable		53,971	232,993
Due from related companies         8 190,217 286,137         373,142 286,137         578,776           Cash         19(b)         286,137         578,776           2,173,453         2,777,281           Total assets         9,159,923         8,852,805           EQUITY AND LIABILITIES           Capital and reserves           Share capital         9         3,374,000 2,356,372 2,211,053           Reserves         10         2,356,372 2,211,053           Non-current liabilities           Long-term bank loans, net of current portion         11(b)         1,388,063 1,235,905           Other long-term liabilities         31,853 127,183         127,183           Deferred tax liabilities         12,15 223,074 301,942         301,942           Current liabilities         1         1,642,990 1,665,030           Current companies         58,818 55,491           - Related companies         8         69,496 9,067           - Notes payable         7,030 1,000         -           - Related companies         8         69,496 9,067           - Notes payable         7,030 1,11,156         -           Due to Parent Company         8         69,496 9,067           - Notes payable <td></td> <td>0</td> <td></td> <td>237,649</td>		0		237,649
Cash         19(b)         286,137         578,776           Cash         2,173,453         2,777,281           Total assets         9,159,923         8,852,805           EQUITY AND LIABILITIES         8         8,852,805           Capital and reserves         3,374,000         3,374,000           Reserves         10         2,356,372         2,211,053           Non-current liabilities         10         2,356,372         2,211,053           Non-current liabilities         31,853         1,235,905           Other long-term liabilities         31,853         127,183           Deferred tax liabilities         12,15         223,074         301,942           - Unrelated companies         5,818         55,491           - Related companies         8         69,496         9,067           - Notes payable         7,030         -           - Notes payable         7,030         -           - Notes payable         8         69,496         9,067           - Notes payable         7,030         -           - Pelated companies         8         69,496         9,067           - Notes payable         7,030         -           - Pelated companies         8 <td></td> <td></td> <td></td> <td>373 142</td>				373 142
Total assets   9,159,923   8,852,805		_		
Page			2,173,453	2,777,281
Share capital	Total assets		9,159,923	8,852,805
Share capital	FOUITY AND LIABILITIES			
Reserves         10         2,356,372         2,211,053           Non-current liabilities         5,730,372         5,585,053           Non-current bank loans, net of current portion Other long-term bank loans, net of current portion         11(b)         1,388,063         1,235,905           Other long-term liabilities         31,853         127,183         127,183           Deferred tax liabilities         12,15         223,074         301,942           Current liabilities         X         223,074         301,942				
Non-current liabilities         5,730,372         5,585,053           Long-term bank loans, net of current portion Other long-term liabilities         11(b)         1,388,063         1,235,905           Other long-term liabilities         31,853         127,183           Deferred tax liabilities         12,15         223,074         301,942           Current liabilities         4,642,990         1,665,030           Current liabilities         58,818         55,491           Unrelated companies         8         69,496         9,067           Notes payable         7,030         -           Related companies         13         188,710         111,15           Due to Parent Company         8         -         22,198           Due to Parent Company         8         -         22,198           Due to related companies         8         126,366         2,851           Short-term bank loans         11(a)         980,000         1,134,000           Current portion of long-term bank loans         11(b)         230,474         124,196           Taxes payable         15         125,667         143,763           Total liabilities         3,429,551         3,267,752	·			
Non-current liabilities           Long-term bank loans, net of current portion         11(b)         1,388,063         1,235,905           Other long-term liabilities         31,853         127,183           Deferred tax liabilities         12,15         223,074         301,942           Current liabilities           Accounts payable </td <td>Reserves</td> <td>10</td> <td>2,356,372</td> <td>2,211,053</td>	Reserves	10	2,356,372	2,211,053
Long-term bank loans, net of current portion       11(b)       1,388,063       1,235,905         Other long-term liabilities       31,853       127,183         Deferred tax liabilities       12,15       223,074       301,942         Current liabilities         Accounts payable       31,642,990       1,665,030         Unrelated companies       58,818       55,491         Related companies       8       69,496       9,067         Notes payable       7,030       -         Notes payables       13       188,710       111,156         Due to Parent Company       8       -       22,198         Due to related companies       8       126,366       2,851         Short-term bank loans       11(a)       980,000       1,134,000         Current portion of long-term bank loans       11(b)       230,474       124,196         Taxes payable       15       125,667       143,763         Total liabilities       3,429,551       3,267,752			5,730,372	5,585,053
Other long-term liabilities       31,853       127,183         Deferred tax liabilities       12,15       223,074       301,942         Current liabilities         Accounts payable       58,818       55,491         Unrelated companies       8       69,496       9,067         Related companies       8       69,496       9,067         Notes payable       7,030       -         Accruals and other payables       13       188,710       111,156         Due to Parent Company       8       -       22,198         Due to related companies       8       126,366       2,851         Short-term bank loans       11(a)       980,000       1,134,000         Current portion of long-term bank loans       11(b)       230,474       124,196         Taxes payable       15       125,667       143,763         Total liabilities       3,429,551       3,267,752	Non-current liabilities			
Deferred tax liabilities         12,15         223,074         301,942           Current liabilities         1,642,990         1,665,030           Accounts payable         58,818         55,491           Related companies         8         69,496         9,067           Notes payable         7,030         -           Notes payables         13         188,710         111,156           Due to Parent Company         8         -         22,198           Due to related companies         8         126,366         2,851           Short-term bank loans         11(a)         980,000         1,134,000           Current portion of long-term bank loans         11(b)         230,474         124,196           Taxes payable         15         125,667         143,763           Total liabilities         3,429,551         3,267,752	· · · · · · · · · · · · · · · · · · ·	11(b)		
Current liabilities         Accounts payable         Unrelated companies       58,818       55,491         Related companies       8       69,496       9,067         Notes payable       7,030       -         Notes payables       13       188,710       111,156         Due to Parent Company       8       -       22,198         Due to related companies       8       126,366       2,851         Short-term bank loans       11(a)       980,000       1,134,000         Current portion of long-term bank loans       11(b)       230,474       124,196         Taxes payable       15       125,667       143,763         Total liabilities       3,429,551       3,267,752	•			
Current liabilities         Accounts payable       58,818       55,491         Unrelated companies       8       69,496       9,067         Related companies       7,030       -         Notes payable       7,030       -         Accruals and other payables       13       188,710       111,156         Due to Parent Company       8       -       22,198         Due to related companies       8       126,366       2,851         Short-term bank loans       11(a)       980,000       1,134,000         Current portion of long-term bank loans       11(b)       230,474       124,196         Taxes payable       15       125,667       143,763         Total liabilities       3,429,551       3,267,752	Deferred tax liabilities	12,15	223,074	301,942
Accounts payable       58,818       55,491         Related companies       8       69,496       9,067         Notes payable       7,030       -         Accruals and other payables       13       188,710       111,156         Due to Parent Company       8       -       22,198         Due to related companies       8       126,366       2,851         Short-term bank loans       11(a)       980,000       1,134,000         Current portion of long-term bank loans       11(b)       230,474       124,196         Taxes payable       15       125,667       143,763         Total liabilities       3,429,551       3,267,752			1,642,990	1,665,030
Unrelated companies 58,818 55,491 Related companies 8 69,496 9,067 Notes payable 7,030 - Accruals and other payables 13 188,710 111,156 Due to Parent Company 8 - 22,198 Due to related companies 8 126,366 2,851 Short-term bank loans 11(a) 980,000 1,134,000 Current portion of long-term bank loans 11(b) 230,474 124,196 Taxes payable 15 125,667 143,763  Total liabilities 3,429,551 3,267,752				
Related companies 8 69,496 9,067 Notes payable 7,030 - Accruals and other payables 13 188,710 111,156 Due to Parent Company 8 - 22,198 Due to related companies 8 126,366 2,851 Short-term bank loans 11(a) 980,000 1,134,000 Current portion of long-term bank loans 11(b) 230,474 124,196 Taxes payable 15 125,667 143,763  Total liabilities 3,429,551 3,267,752			50.040	55.404
Notes payable 7,030 - Accruals and other payables 13 188,710 111,156 Due to Parent Company 8 - 22,198 Due to related companies 8 126,366 2,851 Short-term bank loans 11(a) 980,000 1,134,000 Current portion of long-term bank loans 11(b) 230,474 124,196 Taxes payable 15 125,667 143,763  Total liabilities 3,429,551 3,267,752		8		
Accruals and other payables       13       188,710       111,156         Due to Parent Company       8       -       22,198         Due to related companies       8       126,366       2,851         Short-term bank loans       11(a)       980,000       1,134,000         Current portion of long-term bank loans       11(b)       230,474       124,196         Taxes payable       15       125,667       143,763         Total liabilities       3,429,551       3,267,752		O		-
Due to related companies       8       126,366       2,851         Short-term bank loans       11(a)       980,000       1,134,000         Current portion of long-term bank loans       11(b)       230,474       124,196         Taxes payable       15       125,667       143,763         1,786,561       1,602,722         Total liabilities       3,429,551       3,267,752		13		111,156
Short-term bank loans       11(a)       980,000       1,134,000         Current portion of long-term bank loans       11(b)       230,474       124,196         Taxes payable       15       125,667       143,763         1,786,561       1,602,722         Total liabilities       3,429,551       3,267,752			-	
Current portion of long-term bank loans Taxes payable       11(b)       230,474       124,196         15       125,667       143,763         1,786,561       1,602,722         Total liabilities       3,429,551       3,267,752			•	
Taxes payable         15         125,667         143,763           1,786,561         1,602,722           Total liabilities         3,429,551         3,267,752				
Total liabilities         3,429,551         3,267,752				
			1,786,561	1,602,722
Total equity and liabilities 9,159,923 8,852,805	Total liabilities		3,429,551	3,267,752
	Total equity and liabilities		9,159,923	8,852,805

The financial statements were approved by the Board of Directors on 12th April, 2001.

Du Guo ShengQi Ji RenChairmanDirector

The accompanying notes are an integral part of these financial statements.

