

## XI. FINANCIAL REPORT

## 1. Financial reports prepared in conformity with PRC accounting standards (Unaudited)

## Balance Sheet

As at 30 June 2001

Asset	Group		Company	
	As at 30 June 2001	As at 31 December 2000	As at 30 June 2001	As at 31 December 2000
Current assets:				
Cash on hand and in bank	308,941,722.86	279,255,711.56	308,435,170.92	277,506,247.40
Short-term investment	—	—	—	—
Notes receivable	19,651,500.00	9,495,259.28	19,651,500.00	9,495,259.28
Dividends receivable	—	—	—	—
Interests receivable	—	—	—	—
Accounts receivable	238,397,383.62	214,993,713.45	238,397,383.62	214,993,713.45
Other receivable	68,505,120.88	84,659,811.29	68,500,520.88	84,975,600.95
Deposits to suppliers	3,243,808.72	6,700,584.42	3,243,808.72	6,700,584.42
allowance receivable	—	—	—	—
Inventory	178,241,064.34	166,121,510.65	176,039,260.51	164,375,805.13
Deferred and prepaid expenses	1,303,772.08	899,393.00	1,303,772.08	899,393.00
Long term investment due within one year	—	—	—	—
Other current assets	—	—	—	—
Total current assets	818,284,372.50	762,095,983.65	815,571,416.73	758,946,603.63
Long term investment:				
Long term equity investment	38,500,000.00	38,500,000.00	40,235,864.83	40,082,394.72
Long term debenture investment	163,500.00	163,500.00	163,500.00	163,500.00
Total long term investment	38,663,500.00	38,663,500.00	40,399,364.83	40,245,894.72
including: Combined variance	—	—	—	—
Fixed assets:				
Fixed assets, at cost	908,620,322.00	896,876,180.18	908,315,959.00	896,755,953.18
Less: Accumulated depreciation	492,960,272.17	460,999,541.46	492,914,204.75	460,977,437.10
Fixed assets – net book value	415,660,049.83	435,876,638.72	415,401,754.25	435,778,516.08
Construction materials	2,033,274.86	2,039,971.44	2,033,274.86	2,039,971.44
Construction in progress	87,460,416.88	61,735,431.31	87,460,416.88	61,735,431.31
Disposal of fixed assets	—	—	—	—
Total fixed assets	505,153,741.57	499,652,041.47	504,895,445.99	499,553,918.83
Intangible and other assets:				
Intangible assets	61,619,226.00	62,315,248.00	61,619,226.00	62,315,248.00
Long term deferred and prepaid expenses	—	—	—	—
Other long term assets	—	—	—	—
Total intangible and other assets	61,619,226.00	62,315,248.00	61,619,226.00	62,315,248.00
Deferred taxation:				
Debit for deferred taxation	—	—	—	—
Total assets	1,423,720,840.07	1,362,726,773.12	1,422,485,453.55	1,361,061,665.18



**Balance Sheet (Continue)**  
*As at 30 June 2001*

Liabilities and shareholders' equity	Group		Company	
	As at 30 June 2001	As at 31 December 2000	As at 30 June 2001	As at 31 December 2000
Current liabilities:				
Short term loans	299,300,000.00	259,100,000.00	299,300,000.00	259,100,000.00
Notes payable	22,629,600.00	27,669,400.00	22,629,600.00	27,669,400.00
Accounts payable	77,414,200.91	74,285,403.98	76,543,862.75	72,345,623.64
Deposit from customers	11,367,039.36	5,747,527.45	11,367,039.36	5,747,527.45
Accrued payroll	—	—	—	—
Welfare and benefits payable	9,105,127.22	8,389,761.25	9,105,127.22	8,389,761.25
Dividends payable	9,113,174.10	38,853,599.05	9,113,174.10	38,853,599.05
Tax payable	(1,067,700.69)	4,563,274.84	(982,113.84)	4,792,208.67
Other payments	—	—	—	—
Other payables	16,193,356.44	12,144,333.86	16,193,356.44	12,405,853.52
Accrued expenses	94,200.00	2,500,000.00	—	2,500,000.00
Expected liabilities	—	—	—	—
Long term loans due within one year	—	—	—	—
Other current liabilities	—	—	—	—
<b>Total current liabilities</b>	<b>444,148,997.34</b>	<b>433,253,300.43</b>	<b>443,270,046.03</b>	<b>431,803,973.58</b>
Long term liabilities:				
Long term loans	—	—	—	—
Long term payables	—	—	—	—
Special payables	—	—	—	—
Other long term liabilities	—	—	—	—
Long term payable over one year	3,561,500.00	3,561,500.00	3,561,500.00	3,561,500.00
<b>Total long term liabilities</b>	<b>3,561,500.00</b>	<b>3,561,500.00</b>	<b>3,561,500.00</b>	<b>3,561,500.00</b>
Deferred taxation:				
Credit for deferred taxation	—	—	—	—
<b>Total liabilities</b>	<b>447,710,497.34</b>	<b>436,814,800.43</b>	<b>446,831,546.03</b>	<b>435,365,473.58</b>
Minority interest	251,076.00	215,781.09	—	—
Shareholders' equity:				
Share capital	427,312,830.00	427,312,830.00	427,312,830.00	427,312,830.00
Less: Reverted investment	—	—	—	—
Net share capital	427,312,830.00	427,312,830.00	427,312,830.00	427,312,830.00
Capital reserves	218,402,458.30	218,402,458.30	218,402,458.30	218,402,458.30
Surplus reserves	113,567,669.92	113,462,310.71	113,462,310.71	113,462,310.71
including: Statutory welfare reserves	18,850,506.04	18,815,386.30	18,815,386.30	18,815,386.30
Undistributed profits	216,476,308.51	166,518,592.59	216,476,308.51	166,518,592.59
Converted difference	—	—	—	—
Other equity	—	—	—	—
<b>Total shareholders' equity</b>	<b>975,759,266.73</b>	<b>925,696,191.60</b>	<b>975,653,907.52</b>	<b>925,696,191.60</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,423,720,840.07</b>	<b>1,362,726,773.12</b>	<b>1,422,485,453.55</b>	<b>1,361,061,665.18</b>

