

Balance Sheet

As at 31 December 2004
(Prepared under PRC Accounting Rules and Regulations)

	Note	2004 RMB'000	2003 RMB'000
Assets			
Current assets			
Cash at bank and in hand	3	1,163,399	1,435,735
Bills receivable	4	1,556,250	1,203,651
Trade debtors	5	449,810	482,277
Other debtors	6	729,750	309,693
Advance payments	7	186,284	142,111
Inventories	8	3,216,615	2,990,532
Total current assets		7,302,108	6,563,999
Long-term investments			
Long-term equity investments	9	4,104,456	3,379,501
Fixed assets			
Fixed assets, at cost	10(b)	28,983,520	27,906,284
Less: Accumulated depreciation	10(b)	14,348,615	13,083,483
		14,634,905	14,822,801
Less: Provision for impairment loss on fixed assets	10(b)	58,945	24,600
Fixed assets net book value	10(b)	14,575,960	14,798,201
Construction materials	11	20,226	27,810
Construction in progress	12	708,089	351,480
Total fixed assets		15,304,275	15,177,491
Intangible assets	13	22,415	35,863
Deferred tax assets	14(c)	40,154	24,853
Total assets		26,773,408	25,181,707

The notes on pages 135 to 175 form part of these financial statements.

Balance Sheet (continued)

As at 31 December 2004
(Prepared under PRC Accounting Rules and Regulations)

	Note	2004 RMB'000	2003 RMB'000
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	15	3,034,556	3,694,990
Bills payable	16	94,888	190,737
Trade creditors	16	708,151	1,041,587
Receipts in advance	16	291,540	310,961
Wages payable		58,152	43,391
Staff welfare payable		35,909	30,684
Taxes payable	14(b)	228,059	265,227
Other creditors		7,226	6,814
Other payables	16	421,971	379,518
Accrued expenses	18	16,839	13,019
Current portion of long-term loans	19	1,114,899	755,815
Total current liabilities		6,012,190	6,732,743
Long-term liabilities			
Long-term loans	19	1,858,937	2,941,948
Total long-term liabilities		1,858,937	2,941,948
Total liabilities		7,871,127	9,674,691
Shareholders' equity			
Share capital	21	7,200,000	7,200,000
Capital reserves	22	2,856,278	2,856,278
Surplus reserves	23	4,196,096	3,401,842
of which: Statutory public welfare fund		1,375,702	978,575
Undistributed profits (Including dividend declared after the balance sheet date of RMB1,440,000,000) (2003: approved final dividend of RMB 576,000,000)	29	4,649,907	2,048,896
Total shareholders' equity		18,902,281	15,507,016
Total liabilities and shareholders' equity		26,773,408	25,181,707

Approved by the Board of Directors on 23 March 2005.

Lu Yiping

Chairman

Rong Guangdao

Vice chairman and President

Han Zhihao

Director and Chief Financial Officer

The notes on pages 135 to 175 form part of these financial statements.