

BALANCE SHEETS

[Prepared under PRC GAAP]

As at 31 December 2004

[All amounts in RMB'000 unless otherwise stated]

[English Translation for Reference Only]

ASSETS	Notes	31 Dec, 2004		31 Dec, 2003	
		Group	Company	Group	Company
Current assets					
Cash in banks and on hands	1	7,598,223	6,463,165	3,785,022	2,769,109
Notes receivable	2	2,258,088	2,240,530	2,639,966	2,638,983
Dividends receivable		-	1,371	-	851
Accounts receivable	3	3,652,506	4,016,330	2,155,169	2,470,098
Other receivables	4	257,595	738,183	368,287	713,150
Accounts prepaid	5	145,398	58,380	147,039	95,989
Inventories	6	4,643,758	4,808,259	4,704,396	4,838,409
Deferred expenses		478	-	2,489	990
Total current assets		18,556,046	18,326,218	13,802,368	13,527,579
Long-term investment					
Long-term equity investments	7	67,176	2,992,995	33,986	1,601,994
Fixed assets					
Fixed assets - cost	8	2,725,769	1,877,501	2,346,524	2,108,082
Less: accumulated depreciation	8	793,323	469,997	593,885	515,631
Net fixed assets		1,932,446	1,407,504	1,752,639	1,592,451
Less: impairment loss recognized	8	94,980	87,002	-	-
Fixed assets - net book value	8	1,837,466	1,320,502	1,752,639	1,592,451
Construction in progress	9	114,677	98,100	20,615	14,908
Total fixed assets		1,952,143	1,418,602	1,773,254	1,607,359
Intangible and other assets					
Intangible assets	10	146,214	94,358	143,015	89,728
Long-term prepaid expenses	11	23,785	13,376	14,332	12,909
Total intangible and other assets		169,999	107,734	157,347	102,637
Deferred taxes					
Deferred taxes assets	12	104,625	76,419	66,414	66,414
TOTAL ASSETS		20,849,989	22,921,968	15,833,369	16,905,983

Legal
representative:

Hou Weigui

Person in charge of
accounting function:

Wei Zaisheng

Person in charge of
accounting department:

Yu Yong

[The accompanying notes form an integral part of these financial statements.]

BALANCE SHEETS

(Prepared under PRC GAAP)

AS AT 31 DECEMBER 2004

(All amounts in RMB'000 unless otherwise stated)

[English Translation for Reference Only]

LIABILITIES AND OWNER'S EQUITY	Notes	31 Dec, 2004		31 Dec, 2003	
		Group	Company	Group	Company
Current liabilities					
Short-term loans	13	405,695	340,344	876,811	644,903
Notes payable		1,422,401	1,453,282	1,280,453	1,281,931
Accounts payable	14	2,919,483	5,295,321	3,114,297	4,366,707
Advances from customers	15	2,630,721	2,455,494	2,362,730	2,031,945
Accrued payroll		1,031,464	663,925	712,791	646,328
Welfare benefits payable		437,786	362,467	375,213	352,831
Proposed dividends		40,921	920	63,611	4,054
Taxes payable	16	52,459	(175,111)	21,780	(205,251)
Other levies		13,197	900	7,653	303
Other payables	17	698,727	1,078,453	491,685	880,059
Accrued expenses	18	268,534	248,486	332,312	317,890
Anticipated liability	19	20,000	20,000	-	-
Long-term loans maturity within 1 year	20	16,900	-	273,000	273,000
Total current liabilities		9,958,288	11,744,481	9,912,336	10,594,700
Long-term liabilities					
Long-term loans	21	1,025,263	950,000	759,900	679,000
Specific payables	22	227,320	177,800	123,475	106,835
Other long-term liabilities		-	-	-	-
Total long-term liabilities		1,252,583	1,127,800	883,375	785,835
Total liabilities		11,210,871	12,872,281	10,795,711	11,380,535
Minority interest:					
Minority interest		464,679	-	227,244	-
Owner's equity:					
Share capital	23	959,522	959,522	667,296	667,296
Capital surplus	24	5,491,658	5,515,822	2,106,043	2,113,920
Surplus reserve	24	985,356	650,718	624,091	476,376
of which: statutory welfare reserve	25	252,006	202,836	214,053	164,884
Undistributed profits	26	1,495,431	2,682,269	1,221,165	2,067,667
Balance for foreign currency translation		2,592	1,476	(8,370)	-
Declared cash dividends		239,880	239,880	200,189	200,189
Total owner's equity		9,174,439	10,049,687	4,810,414	5,525,448
TOTAL LIABILITIES AND OWNER'S EQUITY		20,849,989	22,921,968	15,833,369	16,905,983

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(The accompanying notes form an integral part of these financial statements.)