

Company Balance Sheet

(Prepared under PRC accounting standards)

31 December 2004

ASSETS	Note V	31 December 2004 RMB	31 December 2003 RMB
CURRENT ASSETS:			
Cash and balances with financial institutions		1,756,213,758	1,711,723,001
Short term investments		13,568,593	13,568,593
Bills receivable		2,187,496,998	2,118,401,173
Trade receivables	5	252,066,804	168,805,318
Other receivables	6	20,622,495	40,958,128
Prepayments		633,524,165	1,253,686,040
Inventories		4,624,527,816	2,272,282,418
Total current assets		9,488,020,629	7,579,424,671
LONG TERM INVESTMENTS:			
Long term equity investments	9	594,426,011	370,479,670
Long term debt investment	9	13,578,870	16,238,870
Total long term investments		608,004,881	386,718,540
FIXED ASSETS:			
Cost		25,255,552,089	19,767,101,733
Less: Accumulated depreciation		(7,418,650,692)	(5,836,284,161)
Net book value		17,836,901,397	13,930,817,572
Less: Impairment provision		(117,056,844)	(200,566,300)
Fixed assets, net		17,719,844,553	13,730,251,272
Construction materials		468,967,130	321,028,274
Construction in progress		1,783,450,071	2,931,283,354
Total fixed assets		19,972,261,754	16,982,562,900
INTANGIBLE AND OTHER ASSETS:			
Intangible assets		836,687,520	839,456,499
TOTAL ASSETS		30,904,974,784	25,788,162,610

The accompanying notes form an integral part of the financial statements.

Company Balance Sheet (continued)

(Prepared under PRC accounting standards)

31 December 2004

LIABILITIES AND SHAREHOLDERS' FUNDS	Note V	31 December 2004 RMB	31 December 2003 RMB
CURRENT LIABILITIES:			
Short term loans		1,492,638,475	1,919,932,705
Accounts payable		3,094,495,284	2,082,966,940
Deposits received		3,210,215,328	1,393,980,517
Wages payable		35,951,974	590,914
Staff welfare payable		59,383,567	27,043,788
Taxes payable		710,358,263	343,324,177
Other taxes payable		45,927,724	32,098,848
Other payables		437,428,922	449,956,598
Accrued charges		70,248,068	128,749,311
Long term loans due within a year		79,445,694	83,997,290
Total current liabilities		<u>9,236,093,299</u>	<u>6,462,641,088</u>
LONG TERM LIABILITIES:			
Long term loans		4,087,366,149	3,949,955,131
Specific payables		19,800,000	276,980,000
Other long term liabilities		114,757,600	126,702,670
Total long term liabilities		<u>4,221,923,749</u>	<u>4,353,637,801</u>
Total liabilities		<u>13,458,017,048</u>	<u>10,816,278,889</u>
SHAREHOLDERS' FUNDS:			
Share capital	29	6,455,300,000	6,455,300,000
Capital reserve	30	5,427,045,095	5,169,865,095
Surplus reserves	31	1,776,006,748	1,061,305,346
including: statutory public welfare fund	31	888,003,374	530,652,673
Retained profits		3,788,605,893	2,285,413,280
including: cash dividend proposed by directors	44	1,420,166,000	1,355,613,000
Total shareholders' funds		<u>17,446,957,736</u>	<u>14,971,883,721</u>
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		<u>30,904,974,784</u>	<u>25,788,162,610</u>

The accompanying notes form an integral part of the financial statements.

Company Representative:

Gu Jianguo

25 April 2005

Chief Accountant:

Su Jianguo

25 April 2005

Head of Accounting Department:

Guan Yagang

25 April 2005