

BALANCE SHEET

at 31 December 2005

	Note	2005 RMB millions	2004 RMB millions
Assets			
Current assets			
Cash at bank and in hand	4	5,124	6,299
Bills receivable	5	1,334	1,597
Trade accounts receivable	6	8,826	8,245
Other receivables	7	9,604	19,625
Advance payments	8	4,118	4,358
Inventories	9	49,862	33,951
Total current assets		78,868	74,075
Long-term equity investments (Including equity investment differences of RMB 2,017 million (2004: RMB 400 million))	10	133,203	124,211
Fixed assets			
Fixed assets, at cost		294,206	271,120
Less: Accumulated depreciation		123,747	113,572
Net book value of fixed assets before impairment losses	11	170,459	157,548
Less: Provision for impairment losses on fixed assets	11	4,191	4,038
Net book value of fixed assets		166,268	153,510
Construction materials	12	555	93
Construction in progress	13	38,937	28,779
Total fixed assets		205,760	182,382
Intangible assets and other assets			
Intangible assets	14	4,238	4,261
Long-term deferred expenses	15	2,656	2,530
Total intangible assets and other assets		6,894	6,791
Deferred tax assets	16	3,203	3,708
Total assets		427,928	391,167
Liabilities and shareholders' funds			
Current liabilities			
Short-term loans	17	6,940	16,254
Bills payable	18	19,077	21,589
Trade accounts payable	19	28,833	21,137
Receipts in advance	20	12,491	6,106
Wages payable		2,525	1,854
Staff welfare payable		514	498
Taxes payable	21	2,075	3,170
Other payables	22	527	442
Other creditors	23	22,914	34,156
Accrued expenses	24	173	430
Short-term debentures payable	27	9,921	—
Current portion of long-term loans	25	12,144	11,506
Total current liabilities		118,134	117,142
Long-term liabilities			
Long-term loans	26	89,113	82,332
Debentures payable	27	3,500	3,500
Other long-term liabilities	28	315	438
Total long-term liabilities		92,928	86,270
Deferred tax liabilities	16	—	16
Total liabilities		211,062	203,428
Shareholders' funds			
Share capital	29	86,702	86,702
Capital reserve	30	37,797	37,797
Surplus reserves (Including statutory public welfare fund of RMB 13,514 million (2004: RMB 9,558 million))	31	34,028	26,116
Retained profits (Including dividend proposed after the balance sheet date in respect of year 2005 of RMB 7,803 million (2004: RMB 6,936 million))	40	58,339	37,124
Total shareholders' funds		216,866	187,739
Total liabilities and shareholders' funds		427,928	391,167

These financial statements have been approved by the Board of Directors on 31 March 2006.

Chen Tonghai
Chairman
(Authorised representative)

Wang Tianpu
President

Zhang Jiaren
Director and
Chief Financial Officer

Liu Yun
Head of Accounting
Division

The notes on pages 92 to 122 form part of these financial statements.