

B. Financial Statements Prepared under PRC Accounting Rules and Regulations

Consolidated Balance Sheet

As at 31 December 2005
(Prepared under PRC Accounting Rules and Regulations)

	Note	2005 RMB'000	2004 RMB'000
Assets			
Current assets			
Cash at bank and in hand	3	1,347,237	1,694,500
Bills receivable	4	739,794	1,708,792
Trade debtors	5	544,055	602,597
Other debtors	6	567,231	619,281
Advance payments	7	148,886	260,736
Inventories	8	4,114,978	3,727,749
Total current assets		7,462,181	8,613,655
Long-term investments			
Long-term equity investments	9	2,794,466	2,615,350
Fixed assets			
Fixed assets, at cost	10(a)	33,877,575	32,904,209
Less: Accumulated depreciation	10(a)	17,756,756	16,164,713
		16,120,819	16,739,496
Less: Provision for impairment loss on fixed assets	10(a)	58,945	58,945
Fixed assets net book value	10(a)	16,061,874	16,680,551
Construction materials	11	-	20,226
Construction in progress	12	754,192	763,450
Total fixed assets		16,816,066	17,464,227
Intangible assets			
	13	8,967	22,415
Deferred tax assets			
	14(c)	20,238	41,442
Total assets		27,101,918	28,757,089

The notes on pages 152 to 192 form part of these financial statements.

Consolidated Balance Sheet (continued)

As at 31 December 2005
(Prepared under PRC Accounting Rules and Regulations)

	Note	2005 RMB'000	2004 RMB'000
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	15	2,553,537	3,742,727
Bills payable	16	68,302	274,000
Trade creditors	16	988,196	911,940
Receipts in advance	16	408,245	321,869
Wages payable		11,077	63,522
Staff welfare payable		87,755	77,798
Taxes payable	14(b)	183,320	260,111
Other creditors		25,234	17,554
Other payables	16	359,173	484,061
Accrued expenses	18	29,219	21,399
Current portion of long-term loans	19	1,373,205	1,257,578
Total current liabilities		6,087,263	7,432,559
Long-term liabilities			
Long-term loans	19	1,477,261	2,014,614
Other long-term liabilities	20	23,033	34,551
Total long-term liabilities		1,500,294	2,049,165
Total liabilities		7,587,557	9,481,724
Minority interests			
		347,453	373,084
Shareholders' equity			
Share capital	21	7,200,000	7,200,000
Capital reserves	22	2,856,278	2,856,278
Surplus reserves	23	4,537,022	4,196,096
of which: Statutory public welfare fund		1,546,165	1,375,702
Undistributed profits (Including dividend declared after the balance sheet date of RMB 720,000,000 (2004: approved final dividend of RMB 1,440,000,000))	30	4,573,608	4,649,907
Total shareholders' equity		19,166,908	18,902,281
Total liabilities and shareholders' equity		27,101,918	28,757,089

Approved by the Board of Directors on 24 March 2006.

Rong Guangdao

Chairman and President

Du Chongjun

Vice chairman and Vice President

Han Zhihao

Director and Chief Financial Officer

The notes on pages 152 to 192 form part of these financial statements.