

# Balance Sheet

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

|   | Note  | 2005<br>RMB'000   | 2004<br>RMB'000 |
|---|-------|-------------------|-----------------|
| <b>Assets</b>                                       |       |                   |                 |
| <b>Current assets</b>                               |       |                   |                 |
| Cash at bank and in hand                            | 3     | 821,564           | 1,163,399       |
| Bills receivable                                    | 4     | 517,954           | 1,556,250       |
| Trade debtors                                       | 5     | 390,440           | 449,810         |
| Other debtors                                       | 6     | 673,354           | 729,750         |
| Advance payments                                    | 7     | 111,903           | 186,284         |
| Inventories   | 8     | 3,537,671         | 3,216,615       |
| <b>Total current assets</b>                         |       | <b>6,052,886</b>  | 7,302,108       |
| <b>Long-term investments</b>                        |       |                   |                 |
| Long-term equity investments                        | 9     | 4,563,906         | 4,104,456       |
| <b>Fixed assets</b>                                 |       |                   |                 |
| Fixed assets, at cost                               | 10(b) | 29,965,689        | 28,983,520      |
| Less: Accumulated depreciation                      | 10(b) | 15,775,762        | 14,348,615      |
|   |       | 14,189,927        | 14,634,905      |
| Less: Provision for impairment loss on fixed assets | 10(b) | 58,945            | 58,945          |
| Fixed assets net book value                         | 10(b) | 14,130,982        | 14,575,960      |
| Construction materials                              | 11    | -                 | 20,226          |
| Construction in progress                            | 12    | 710,268           | 708,089         |
| <b>Total fixed assets</b>                           |       | <b>14,841,250</b> | 15,304,275      |
| <b>Intangible assets</b>                            |       |                   |                 |
|   | 13    | 8,967             | 22,415          |
| <b>Deferred tax assets</b>                          |       |                   |                 |
|   | 14(c) | 20,238            | 40,154          |
| <b>Total assets</b>                                 |       | <b>25,487,247</b> | 26,773,408      |

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

## Balance Sheet (continued)

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

|  | Note  | 2005<br>RMB'000   | 2004<br>RMB'000 |
|--|-------|-------------------|-----------------|
| <b>Liabilities and shareholders' equity</b>  |       |                   |                 |
| <b>Current liabilities</b>   |       |                   |                 |
| Short-term loans   | 15    | 2,295,195         | 3,034,556       |
| Bills payable  | 16    | 12,428            | 94,888          |
| Trade creditors  | 16    | 596,782           | 708,151         |
| Receipts in advance  | 16    | 336,105           | 291,540         |
| Wages payable  |       | 5,113             | 58,152          |
| Staff welfare payable  |       | 44,670            | 35,909          |
| Taxes payable  | 14(b) | 138,176           | 228,059         |
| Other creditors  |       | 18,344            | 7,226           |
| Other payables   | 16    | 351,072           | 421,971         |
| Accrued expenses   | 18    | 29,219            | 16,839          |
| Current portion of long-term loans   | 19    | 1,340,000         | 1,114,899       |
| <b>Total current liabilities</b>   |       | <b>5,167,104</b>  | 6,012,190       |
| <b>Long-term liabilities</b>   |       |                   |                 |
| Long-term loans  | 19    | 1,153,235         | 1,858,937       |
| <b>Total long-term liabilities</b>   |       | <b>1,153,235</b>  | 1,858,937       |
| <b>Total liabilities</b>   |       | <b>6,320,339</b>  | 7,871,127       |
| <b>Shareholders' equity</b>  |       |                   |                 |
| 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       |
| <b>Total shareholders' equity</b>  |       | <b>19,166,908</b> | 18,902,281      |
| <b>Total liabilities and shareholders' equity</b>  |       | <b>25,487,247</b> | 26,773,408      |

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.