

BALANCE SHEET (under PRC GAAP)

At December 31, 2005

NOTES	The Group		The Company		
	December 31, 2005 RMB	December 31, 2004 RMB	December 31, 2005 RMB	December 31, 2004 RMB	
ASSETS					
CURRENT ASSETS:					
Bank balances and cash	5	7,278,972,385	5,278,468,720	6,297,641,649	5,003,516,578
Current investments	6	640,000,000	850,000,000	640,000,000	850,000,000
Notes receivable	7	2,100,443,880	898,465,509	2,100,243,880	897,865,509
Dividends receivable		–	–	–	350,456
Accounts receivable	8	134,802,711	340,848,078	134,802,711	340,848,078
Other receivables	9	143,528,596	432,247,118	398,177,622	401,278,358
Prepayments	11	73,704,963	60,049,058	78,776,194	66,218,808
Inventories	12	470,501,129	485,428,372	428,483,999	474,377,994
Deferred expenses	13	62,444,803	56,644,671	62,346,044	55,863,146
Other current assets	14	157,511,340	103,406,734	157,511,340	103,406,734
TOTAL CURRENT ASSETS		11,061,909,807	8,505,558,260	10,297,983,439	8,193,725,661
LONG-TERM INVESTMENTS					
Long-term equity investments	15	81,117,603	646,226,054	1,597,035,257	1,618,135,335
Including: Discrepancy on consolidation	15	18,936,910	10,045,361	–	–
Long-term debt investments	16	–	–	162,200,000	–
TOTAL LONG TERM INVESTMENTS		81,117,603	646,226,054	1,759,235,257	1,618,135,335
FIXED ASSETS:					
Fixed assets – cost	17	15,978,522,004	15,024,982,743	15,669,699,268	14,813,883,039
Less: Accumulated depreciation	17	7,902,722,461	6,773,521,923	7,883,750,808	6,766,087,913
Fixed assets – net book value	17	8,075,799,543	8,251,460,820	7,785,948,460	8,047,795,126
Materials held for construction of fixed assets	18	194,334,918	1,993,287	8,926,618	1,993,287
Fixed assets under construction	19	711,236,841	84,512,193	124,679,186	81,594,857
TOTAL FIXED ASSETS		8,981,371,302	8,337,966,300	7,919,554,264	8,131,383,270
INTANGIBLE ASSETS AND OTHER ASSETS					
Intangible assets	20	815,161,408	827,575,090	761,255,776	794,940,709
Long-term deferred expenses	21	148,620,077	–	–	–
TOTAL INTANGIBLE ASSETS AND OTHER ASSETS		963,781,485	827,575,090	761,255,776	794,940,709
TOTAL ASSETS		21,088,180,197	18,317,325,704	20,738,028,736	18,738,184,975

The accompanying notes are part of the financial statements.

BALANCE SHEET (under THE PRC GAAP) (Cont'd)

At December 31, 2005

NOTES	The Group		The Company	
	December 31, 2005 RMB	December 31, 2004 RMB	December 31, 2005 RMB	December 31, 2004 RMB
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Notes payable	22 136,779,128	–	136,779,128	–
Accounts payable	23 381,517,651	515,892,192	381,517,651	515,892,192
Advances from customers	24 527,865,895	458,038,528	527,793,426	458,022,488
Salaries and wages payable	25 127,539,246	80,241,534	126,888,680	80,223,075
Taxes payable	26 897,202,321	784,731,685	895,394,930	784,396,963
Other payables	27 1,194,089,906	616,637,336	885,365,147	1,065,538,997
Long-term payable due within one year	28/29 304,709,446	218,732,157	304,709,446	218,732,157
TOTAL CURRENT LIABILITIES	3,569,703,593	2,674,273,432	3,258,448,408	3,122,805,872
LONG-TERM LIABILITIES:				
Long-term loan	28 –	200,000,000	–	200,000,000
Long-term payable	29 322,936,910	162,908,540	322,936,910	162,908,540
TOTAL LONG-TERM LIABILITIES	322,936,910	362,908,540	322,936,910	362,908,540
TOTAL LIABILITIES	3,892,640,503	3,037,181,972	3,581,385,318	3,485,714,412
MINORITY INTERESTS	53,912,439	27,673,169	–	–
SHAREHOLDERS' EQUITY:				
Share capital	30 4,918,400,000	3,074,000,000	4,918,400,000	3,074,000,000
Capital reserves	31 4,865,480,791	6,501,949,387	4,865,480,791	6,501,949,387
Surplus reserves	32 1,528,790,703	1,154,468,484	1,528,474,119	1,154,151,900
Including: Statutory common welfare fund	32 509,649,665	384,875,592	509,491,373	384,717,300
Cash dividend proposed after the balance sheet date	33 1,082,048,000	799,240,000	1,082,048,000	799,240,000
Unappropriated profits	34 4,761,923,924	3,722,812,692	4,762,240,508	3,723,129,276
Translation reserve	(15,016,163)	–	–	–
TOTAL SHAREHOLDERS' EQUITY	17,141,627,255	15,252,470,563	17,156,643,418	15,252,470,563
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,088,180,197	18,317,325,704	20,738,028,736	18,738,184,975

The accompanying notes are part of the financial statements.

The financial statements on pages 114 to 161 were signed by the following:

Head of the Company:
Geng Jia Huai

Chief Financial Officer:
Wu Yu Xiang

Head of Accounting Department:
Zhang Bao Cai