

BALANCE SHEETS

31 December 2005
(Expressed in Renminbi)

| | Note | The Group | | The Company | |
|---|------|-----------------|-------------------------------|-----------------|-------------------------------|
| | | 2005 RMB'000 | 2004 RMB'000 (Restated) | 2005 RMB'000 | 2004 RMB'000 (Restated) |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 17 | 151,951 | 171,406 | 163 | 324 |
| Leasehold land and rental prepayments | 18 | 17,260 | 17,837 | — | — |
| Investments in subsidiaries | 19 | — | — | 114 | 114 |
| Deferred tax assets | 28 | 912 | 45 | — | — |
| | | 170,123 | 189,288 | 277 | 438 |
| CURRENT ASSETS | | | | | |
| Leasehold land and rental prepayments | 18 | 13,078 | 7,566 | — | — |
| Inventories | 20 | 28,756 | 35,358 | — | — |
| Trade and other receivables | 21 | 76,424 | 67,311 | 260,981 | 265,554 |
| Cash and cash equivalents | 22 | 582,185 | 494,950 | 2,130 | 24,387 |
| | | 700,443 | 605,185 | 263,111 | 289,941 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 23 | 30,440 | 18,023 | 7,936 | 3,281 |
| Bank loans, unsecured | 24 | 71,140 | 63,760 | 29,640 | 22,260 |
| Coupon bonds | 25 | 31,977 | 30,541 | 31,977 | 30,541 |
| Provision for staff welfare benefit | 26 | 13,960 | 14,109 | — | — |
| Taxation payable | 27 | 5,981 | 6,050 | — | — |
| | | 153,498 | 132,483 | 69,553 | 56,082 |
| NET CURRENT ASSETS | | 546,945 | 472,702 | 193,558 | 233,859 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 717,068 | 661,990 | 193,835 | 234,297 |
| NON-CURRENT LIABILITIES | | | | | |
| Bank loans, unsecured | 24 | — | 30,210 | — | 30,210 |
| Deferred tax liabilities | 28 | — | — | 808 | 1,166 |
| | | — | 30,210 | 808 | 31,376 |
| NET ASSETS | | 717,068 | 631,780 | 193,027 | 202,921 |
| CAPITAL AND RESERVES | | | | | |
| Share capital | 29 | 48,679 | 48,679 | 48,679 | 48,679 |
| Reserves | 30 | 668,389 | 583,101 | 144,348 | 154,242 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | | 717,068 | 631,780 | 193,027 | 202,921 |

Approved and authorised for issue by the board of directors on 25 April 2006.

Yeung Chung Lung
Director

Yang Le
Director

The notes on pages 38 to 83 form an integral part of this financial statements.