

Company Balance Sheet

(Prepared under PRC accounting standards)

31 December 2005

	Note V	31 December 2005 RMB	31 December 2004 RMB
ASSETS			
CURRENT ASSETS:			
Cash and balances with financial institutions		2,625,793,200	1,756,213,758
Short term investments		13,568,593	13,568,593
Bills receivable		1,986,453,537	2,187,496,998
Trade receivables	5	217,203,609	252,066,804
Other receivables	6	22,408,276	20,622,495
Prepayments		379,072,433	633,524,165
Inventories		4,915,277,790	4,624,527,816
Total current assets		10,159,777,438	9,488,020,629
LONG TERM INVESTMENTS:			
Long term equity investments	9	1,173,559,564	594,426,011
Long term debt investment	9	10,918,870	13,578,870
Total long term investments		1,184,478,434	608,004,881
FIXED ASSETS:			
Cost		27,654,753,443	25,255,552,089
Less: Accumulated depreciation		(9,377,882,621)	(7,418,650,692)
Net book value		18,276,870,822	17,836,901,397
Less: Impairment provision		(117,056,844)	(117,056,844)
Fixed assets, net		18,159,813,978	17,719,844,553
Construction materials		3,013,302,877	468,967,130
Construction in progress		4,671,938,945	1,783,450,071
Total fixed assets		25,845,055,800	19,972,261,754
INTANGIBLE AND OTHER ASSETS:			
Intangible assets		822,280,314	836,687,520
TOTAL ASSETS		38,011,591,986	30,904,974,784

The accompanying notes form an integral part of the financial statements

Company Balance Sheet (continued)

(Prepared under PRC accounting standards)

31 December 2005

	Note V	31 December 2005 RMB	31 December 2004 RMB
LIABILITIES AND SHAREHOLDERS' FUNDS			
CURRENT LIABILITIES:			
Short term loans		80,702,000	1,492,638,475
Bills payable		335,567,000	–
Short term commercial papers		2,000,000,000	–
Accounts payable		3,235,473,002	3,094,495,284
Deposits received		3,115,902,605	3,210,215,328
Wages payable		97,561,911	35,951,974
Welfares payable		83,999,949	59,383,567
Taxes payable		488,345,802	710,358,263
Other taxes payable		19,412,734	45,927,724
Other payables		511,898,607	437,428,922
Accrued charges		92,760,693	70,248,068
Long term loans due within a year		77,800,936	79,445,694
Total current liabilities		10,139,425,239	9,236,093,299
LONG TERM LIABILITIES:			
Long term loans		8,528,227,671	4,087,366,149
Specific payables		3,200,000	19,800,000
Other long term liabilities		503,984,331	114,757,600
Total long term liabilities		9,035,412,002	4,221,923,749
Total liabilities		19,174,837,241	13,458,017,048
SHAREHOLDERS' FUNDS:			
Share capital	30	6,455,300,000	6,455,300,000
Capital reserve	31	5,450,345,095	5,427,045,095
Surplus reserves	32	2,333,339,350	1,776,006,748
including: statutory public welfare fund	32	1,166,669,675	888,003,374
Retained profits		4,597,770,300	3,788,605,893
including: cash dividend proposed by directors	43	1,032,848,000	1,420,166,000
Total shareholders' funds		18,836,754,745	17,446,957,736
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		38,011,591,986	30,904,974,784

The accompanying notes form an integral part of the financial statements

Company Representative:

Gu Jianguo

11 April 2006

Chief Accountant:

Su Jianguang

11 April 2006

Head of Accounting Department:

Guan Yagang

11 April 2006