

At 31 December 2006

| | Notes | 2006 RMB'000 | 2005 RMB'000 |
|---|-------|-----------------|-----------------|
| Non-current assets | | | |
| Property, plant and equipment | 12 | 429,128 | 236,768 |
| Land use rights | 13 | 18,150 | 9,319 |
| Deposits made for acquisition of property, plant and equipment | | 20,905 | 16,758 |
| Deferred tax assets | 14 | 2,558 | 2,558 |
| | | <u>470,741</u> | <u>265,403</u> |
| Current assets | | | |
| Inventories | 15 | 174,089 | 151,236 |
| Trade and other receivables | 16 | 168,254 | 139,522 |
| Pledged bank deposits | 17 | – | 2,824 |
| Bank balances and cash | 17 | 45,577 | 20,252 |
| | | <u>387,920</u> | <u>313,834</u> |
| Current liabilities | | | |
| Trade and other payables | 18 | 66,268 | 83,747 |
| Obligations under finance leases due within one year | 19 | 600 | – |
| Taxation | | 10,117 | 3,890 |
| Mortgage loan due within one year | 20 | 524 | 771 |
| Other short-term loans | | – | 17,720 |
| Short-term bank loans | 21 | 151,700 | 123,292 |
| | | <u>229,209</u> | <u>229,420</u> |
| Net current assets | | <u>158,711</u> | <u>84,414</u> |
| Total assets less current liabilities | | <u>629,452</u> | <u>349,817</u> |

CONSOLIDATED BALANCE SHEET

CO-PROSPERITY HOLDINGS LIMITED

At 31 December 2006

| | Notes | 2006 RMB'000 | 2005 RMB'000 |
|---|-------|-----------------------|-----------------|
| Non-current liabilities | | | |
| Obligations under finance leases due after one year | 19 | 955 | – |
| Mortgage loan due after one year | 20 | 3,958 | 4,404 |
| Deferred tax liabilities | 14 | 343 | – |
| | | <u>5,256</u> | <u>4,404</u> |
| Net assets | | <u>624,196</u> | <u>345,413</u> |
| Capital and reserves | | | |
| Share capital | 22 | 82,760 | 3 |
| Reserves | | <u>541,436</u> | <u>345,410</u> |
| Total equity | | <u>624,196</u> | <u>345,413</u> |

The consolidated financial statements on pages 28 to 63 were approved and authorised for issue by the Board of Directors on 28 March 2007 and are signed on its behalf by:

MR. SZE SIU HUNG
Chairman

MR. SZE CHIN PANG
Executive Director