

B. Financial Statements Prepared under PRC Accounting Rules and Regulations

Consolidated Balance Sheet

As at 31 December 2006
(Prepared under PRC Accounting Rules and Regulations)

	Note	2006 RMB'000	2005 RMB'000
Assets			
Current assets			
Cash at bank and in hand	3	894,650	1,347,237
Bills receivable	4	1,273,233	739,794
Trade debtors	5	624,890	544,055
Other debtors	6	236,227	567,231
Advance payments	7	350,895	148,886
Inventories	8	4,163,256	4,114,978
Total current assets		7,543,151	7,462,181
Long-term investments			
Long-term equity investments	9	3,341,699	2,794,466
Fixed assets			
Fixed assets, at cost	10(a)	33,738,759	33,877,575
Less: Accumulated depreciation	10(a)	19,017,020	17,756,756
Net book value before provision for impairment	10(a)	14,721,739	16,120,819
Less: Provision for impairment loss on fixed assets	10(a)	108,945	58,945
Carrying amount	11	14,612,794	16,061,874
Construction in progress		1,972,893	754,192
Total fixed assets		16,585,687	16,816,066
Intangible assets			
	12	-	8,967
Long-term deferred expenses			
	13	185,180	-
Deferred tax assets			
	14(c)	28,483	20,238
Total assets		27,684,200	27,101,918

The notes on pages 158 to 199 form part of these financial statements.

Consolidated Balance Sheet (continued)

As at 31 December 2006
(Prepared under PRC Accounting Rules and Regulations)

	Note	2006 RMB'000	2005 RMB'000
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	15	1,853,692	2,553,537
Bills payable	16	42,726	68,302
Trade creditors	16	1,510,688	988,196
Receipts in advance	16	403,620	408,245
Wages payable		11,056	11,077
Staff welfare payable		73,801	87,755
Taxes payable	14(b)	260,389	183,320
Other creditors		11,597	25,234
Other payables	16	399,495	359,173
Accrued expenses	18	26,386	29,219
Short-term debentures payable	19	2,000,000	-
Current portion of long-term loans	20	416,645	1,373,205
Total current liabilities		7,010,095	6,087,263
Long-term liabilities			
Long-term loans	20	1,063,654	1,477,261
Other long-term liabilities	21	1,350	23,033
Total long-term liabilities		1,065,004	1,500,294
Total liabilities		8,075,099	7,587,557
Minority interests			
		336,013	347,453
Shareholders' equity			
Share capital	22	7,200,000	7,200,000
Capital reserves	23	2,945,607	2,856,278
Surplus reserves	24	4,610,707	4,537,022
Undistributed profits (Including dividend declared after the balance sheet date of RMB 288,000,000 (2005: approved final dividend of RMB 720,000,000))	32	4,516,774	4,573,608
Total shareholders' equity		19,273,088	19,166,908
Total liabilities and shareholders' equity		27,684,200	27,101,918

Approved by the Board of Directors on 29 March 2007.

Rong Guangdao

Chairman and President

Du Chongjun

Vice chairman and Vice President

Han Zhihao

Director and Chief Financial Officer

The notes on pages 158 to 199 form part of these financial statements.