

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	551,693	821,564
Bills receivable	4	980,026	517,954
Trade debtors	5	347,630	390,440
Other debtors	6	241,935	673,354
Advance payments	7	328,882	111,903
Inventories	8	3,584,431	3,537,671
Total current assets		6,034,597	6,052,886
Long-term investments			
Long-term equity investments	9	5,316,897	4,563,906
Fixed assets			
Fixed assets, at cost	10(b)	29,858,620	29,965,689
Less: Accumulated depreciation	10(b)	16,928,505	15,775,762
Net book value before provision for impairment		12,930,115	14,189,927
Less: Provision for impairment loss on fixed assets	10(b)	108,945	58,945
Carrying amount	10(b)	12,821,170	14,130,982
Construction in progress	11	1,969,152	710,268
Total fixed assets		14,790,322	14,841,250
Intangible assets	12	-	8,967
Long-term deferred expenses	13	176,213	-
Deferred tax assets	14(c)	28,483	20,238
Total assets		26,346,512	25,487,247

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

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	1,618,692	2,295,195
Bills payable	16	1,141	12,428
Trade creditors	16	879,972	596,782
Receipts in advance	16	373,774	336,105
Wages payable		5,113	5,113
Staff welfare payable		34,687	44,670
Taxes payable	14(b)	262,437	138,176
Other creditors		8,945	18,344
Other payables	16	604,183	351,072
Accrued expenses	18	26,386	29,219
Short-term debentures payable	19	2,000,000	-
Current portion of long-term loans	20	383,034	1,340,000
Total current liabilities		6,198,364	5,167,104
Long-term liabilities			
Long-term loans	20	873,710	1,153,235
Other long-term liabilities	21	1,350	-
Total long-term liabilities		875,060	1,153,235
Total liabilities		7,073,424	6,320,339
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))	31	4,516,774	4,573,608
Total shareholders' equity		19,273,088	19,166,908
Total liabilities and shareholders' equity		26,346,512	25,487,247

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.