

# BALANCE SHEET

(prepared under PRC accounting Standards and Systems)  
As at 31st December 2004

Unit:RMB

Assets	Note	Consolidated		Parent company	
		Closing balance	Opening balance	Closing balance	Opening balance
Current Assets:					
Cash and bank balances	(V)1	377,700,484.15	391,535,307.44	320,159,059.51	340,723,321.84
Short-term investment		—	—	—	—
Bills receivable		300,000.00	397,837.56	300,000.00	—
Interests receivable		—	—	—	—
Dividends receivable		16,751.21	171,532.40	16,751.21	171,532.40
Accounts receivable	(V)2(1)	183,564,292.00	442,749,389.09	153,894,366.53	206,069,513.26
Other receivable	(V)2(3)	89,143,595.99	163,717,612.19	89,206,978.44	165,682,591.21
Prepayments to suppliers	(V)2(2)	113,197,177.99	29,730,300.54	114,542,200.22	26,575,496.91
Subsidy receivable	(V)2(4)	47,630,151.96	185,485,729.12	47,630,151.96	180,124,409.96
Inventories	(V)3	366,616,837.32	215,118,118.05	329,698,226.77	178,409,657.31
Deferred expenses	(V)4	601,651.83	1,047,048.02	358,100.00	353,300.00
Long-term investment					
in bonds within one year		—	—	—	—
Other current assets		—	—	—	—
Total current assets		1,178,770,942.45	1,429,952,874.41	1,055,805,834.64	1,098,109,822.89
Long-term investment					
On equity	(V)5(1)	15,807,734.42	15,512,741.75	122,430,111.79	206,344,531.79
On bonds		—	—	—	—
Total long-term investments		15,807,734.42	15,512,741.75	122,430,111.79	206,344,531.79
Including: consolidate balance	(V)5(2)	61,617.69	-1,707,743.96	—	—
Including: investment on equity balance		61,617.69	—	—	—
Fixed Assets					
Fixed assets-cost	(V)6	1,531,302,835.27	1,518,724,143.47	1,415,492,418.84	1,343,082,494.90
Less: accumulated depreciation	(V)6	623,466,663.48	559,687,354.71	550,454,992.77	471,440,848.91
Fixed assets-net book value		907,836,171.79	959,036,788.76	865,037,426.07	871,641,645.99
Less: the devalue provision of fixed assets		2,759,659.20	1,082,819.57	931,495.23	1,082,819.57
Net fixed assets	(V)6	905,076,512.59	957,953,969.19	864,105,930.84	870,558,826.42
Construction materials					
Construction-in-progress	(V)7	31,054,003.48	30,247,435.27	31,054,003.48	30,247,435.27
Disposals of fixed assets					
Total fixed assets		936,130,516.07	988,201,404.46	895,159,934.32	900,806,261.69
Intangible and other assets					
Intangible assets	(V)8	77,835,110.30	79,599,508.04	64,851,722.51	66,342,305.33
Long-term deferred expenses	(V)9	4,460,646.08	1,849,630.67	107,791.30	207,291.22
Other long-term assets		—	—	—	—
Total intangible and other assets		82,295,756.38	81,449,138.71	64,959,513.81	66,549,596.55
Deferred taxation					
Deferred tax-assets		—	—	—	—
Total assets		2,213,066,567.01	2,513,408,415.37	2,138,355,394.56	2,271,810,212.92

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(prepared under PRC accounting Standards and Systems)  
As at 31st December 2004

Unit: RMB

Liabilities and shareholders' equity	Note	Consolidated		Parent company	
		Closing balance	Opening balance	Closing balance	Opening balance
<b>Current liabilities</b>					
Short-term loans	(V)10(1)	115,871,000.00	194,403,806.91	115,871,000.00	188,980,600.00
Bills payable	(V)11(1)	5,000,000.00	118,653,152.23	5,000,000.00	87,980,000.00
Accounts Payable	(V)11(2)	372,469,872.06	341,867,140.48	363,644,374.54	348,760,819.76
Receipts in advance	(V)11(3)	14,907,947.37	31,711,711.36	9,625,050.10	18,325,005.99
Salary payable		—	—	—	—
Staff welfare payable		5,028,645.76	3,296,564.40	3,315,995.91	1,774,608.09
Dividends payable	(V)12	13,449.38	13,449.38	13,449.38	13,449.38
Taxes payable	(V)13	-19,528,783.85	-14,250,237.71	-23,098,071.21	-14,501,583.64
Other unpaid items		1,295,078.04	1,634,615.85	1,195,892.37	1,379,031.31
Other payables	(V)11(4)	29,106,552.89	57,138,551.21	25,554,626.05	-79,044,338.89
Accrued expenses	(V)14	77,701,800.05	87,199,602.43	77,443,480.64	87,450,930.75
Established liabilities		—	—	—	—
Long-term liabilities					
within one year	(V)10(2)	400,000,000.00	383,537,455.50	400,000,000.00	383,537,455.50
Other current liabilities	(V)15	225,486,044.23	242,958,088.77	227,442,044.23	242,958,088.77
<b>Total Current liabilities</b>		<b>1,227,351,605.93</b>	<b>1,448,163,900.81</b>	<b>1,206,007,842.01</b>	<b>1,267,614,067.02</b>
<b>Long-term liabilities</b>					
Long-term loans	(V)16	200,450,000.00	300,510,000.00	200,450,000.00	300,510,000.00
Bonds payables		—	—	—	—
Long-term payable		—	—	—	—
Special project payable	(V)17	22,792,562.86	28,411,369.33	22,792,562.86	28,411,369.33
Other long-term liabilities		—	—	—	—
<b>Total long-term liabilities</b>		<b>223,242,562.86</b>	<b>328,921,369.33</b>	<b>223,242,562.86</b>	<b>328,921,369.33</b>
<b>Deferred taxation</b>					
Deferred tax - loans					
Total liabilities		1,450,594,168.79	1,777,085,270.14	1,429,250,404.87	1,596,535,436.35
Minority interests		52,209,709.33	59,733,440.11	—	—
<b>Shareholders' equity</b>					
Share capital	(V)18	494,677,580.00	494,677,580.00	494,677,580.00	494,677,580.00
Less: returned investment		—	—	—	—
Net received share capital		494,677,580.00	494,677,580.00	494,677,580.00	494,677,580.00
Capital reserve	(V)19	651,977,481.72	651,977,481.72	651,977,481.72	651,977,481.72
Surplus reserves	(V)20	100,147,511.34	100,147,511.34	99,527,585.23	99,527,585.23
Including: statutory public welfare fund		30,592,815.41	30,592,815.41	30,592,815.41	30,592,815.41
Retained earnings	(V)21	-536,539,884.17	-570,212,867.94	-537,077,657.26	-570,907,870.38
Distributable cash dividend		—	—	—	—
Converted difference		—	—	—	—
Less: unaffirmed investment loss		—	—	—	—
<b>Total shareholders' equity</b>		<b>710,262,688.89</b>	<b>676,589,705.12</b>	<b>709,104,989.69</b>	<b>675,274,776.57</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,213,066,567.01</b>	<b>2,513,408,415.37</b>	<b>2,138,355,394.56</b>	<b>2,271,810,212.92</b>