

BALANCE SHEETS

(Prepared in accordance with HKFRS. All amounts in Renminbi Yuan thousands unless otherwise stated.)
As at 31 December 2006

| | | Group | | Company | |
|---|------|-----------|-----------|-----------|-----------|
| | Note | 2006 | 2005 | 2006 | 2005 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 6 | 981,567 | 961,210 | 946,722 | 927,091 |
| Investment properties | 7 | 98,721 | 67,134 | 98,721 | 67,134 |
| Land use rights and leasehold land | 8 | 67,784 | 51,647 | 67,784 | 51,647 |
| Investments in subsidiaries | 9 | — | — | 77,224 | 78,524 |
| Interest in associates | 10 | 18,611 | 3,825 | 2,522 | 2,522 |
| Available-for-sale financial assets | 11 | 220,665 | 46,252 | 219,765 | 45,352 |
| Deferred income tax assets | 12 | 2,264 | 50,245 | 2,264 | 50,245 |
| | | | | | |
| | | 1,389,612 | 1,180,313 | 1,415,002 | 1,222,515 |
| Current assets | | | | | |
| Held-to-maturity financial assets | 13 | 296,620 | — | 296,620 | — |
| Inventories | 14 | 413,623 | 318,528 | 324,648 | 269,719 |
| Amounts due from subsidiaries | | — | — | 54,751 | 24,185 |
| Due from customers on construction contracts | 15 | 736,708 | 781,915 | 734,005 | 780,048 |
| Trade receivables | 16 | 179,986 | 220,961 | 94,773 | 188,121 |
| Other receivables | 17 | 316,495 | 281,685 | 286,930 | 264,216 |
| Derivative financial instruments | 18 | 712 | 3,802 | 712 | 3,802 |
| Current income tax recoverable | | 474 | 452 | 474 | 452 |
| Bank balances and cash | 19 | 4,338,007 | 644,430 | 4,252,200 | 575,878 |
| | | | | | |
| | | 6,282,625 | 2,251,773 | 6,045,113 | 2,106,421 |
| Total assets | | | | | |
| | | 7,672,237 | 3,432,086 | 7,460,115 | 3,328,936 |

BALANCE SHEETS (continued)

(Prepared in accordance with HKFRS. All amounts in Renminbi Yuan thousands unless otherwise stated.)
As at 31 December 2006

| | Note | Group | | Company | |
|---|------|------------------|-----------|------------------|-----------|
| | | 2006 | 2005 | 2006 | 2005 |
| EQUITY | | | | | |
| Capital and reserves attributable to the shareholders of the Company | | | | | |
| Share capital | 20 | 1,146,655 | 1,146,655 | 1,146,655 | 1,146,655 |
| Other reserves | 21 | 241,635 | 129,339 | 241,016 | 128,720 |
| Accumulated losses | | (126,643) | (393,278) | (163,162) | (415,708) |
| | | 1,261,647 | 882,716 | 1,224,509 | 859,667 |
| Minority interests | | 61,404 | 49,720 | – | – |
| Total equity | | 1,323,051 | 932,436 | 1,224,509 | 859,667 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 22 | 1,082,591 | – | 1,082,591 | – |
| Retirement benefit obligations | 23 | 7,995 | 13,851 | 7,995 | 13,851 |
| | | 1,090,586 | 13,851 | 1,090,586 | 13,851 |
| Current liabilities | | | | | |
| Amounts due to subsidiaries | | – | – | 4,107 | 6,686 |
| Due to customers on construction contracts | 15 | 4,056,166 | 1,682,172 | 4,056,233 | 1,682,172 |
| Trade payables | 24 | 381,872 | 372,909 | 362,018 | 358,907 |
| Other payables and accruals | 25 | 141,905 | 126,399 | 111,823 | 107,096 |
| Dividends payable | | 9 | 2,184 | 9 | 13 |
| Current income tax liability | | 2,648 | 1,591 | – | – |
| Borrowings | 22 | 636,788 | 260,505 | 573,002 | 260,505 |
| Derivative financial instruments | 18 | 570 | 1,278 | 570 | 1,278 |
| Provisions for warranty and legal claims | 26 | 38,642 | 38,761 | 37,258 | 38,761 |
| | | 5,258,600 | 2,485,799 | 5,145,020 | 2,455,418 |
| Total liabilities | | 6,349,186 | 2,499,650 | 6,235,606 | 2,469,269 |
| Total equity and liabilities | | 7,672,237 | 3,432,086 | 7,460,115 | 3,328,936 |
| Net current assets/(liabilities) | | 1,024,025 | (234,026) | 900,093 | (348,997) |
| Total assets less current liabilities | | 2,413,637 | 946,287 | 2,315,095 | 873,518 |

Han Guangde

Director

Yu Baoshan

Director

The notes on pages 147 to 209 are an integral part of these consolidated financial statements