Consolidated Balance Sheet

At 31 December 2006

| NON-CURRENT ASSETS Property, plant and equipment NON-CURRENT ASSETS Property, plant and equipment Proparly lease premium for land – non-current portion NAVailable-for-sale investments 16 16 12 17 15,293 1,735 Deposits paid for acquisition of property, plant and equipment Deposits paid for propaid lease premium for land 7,873 10,827 CURRENT ASSETS Inventories 18 121,489 63,984 Prepaid lease premium for land – current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from related companies 20 8,759 7,168 Amounts due from related companies 20 4,046 4 Bank balances and cash 22 33,045 7,779 283,932 179,735 CURRENT LIABILITIES Trade and other payables 23 83,952 71,030 Amounts due to directors 24 9,060 33,700 172,946 131,137 NET CURRENT ASSETS 110,986 48,598 221,813 112,367 CAPITAL AND RESERVES Paid-in capital 26 4,080 Reserves 214,734 108,221 Equity attributable to equity holders of the Company Minority interest 20 21,813 112,367 221,813 112,367 | | | 2006 | 2005 |
|---|---|-------|----------------|---------|
| Property, plant and equipment 13 84,301 59,527 Prepaid lease premium for land – non-current portion 14 8,792 2,345 Available-for-sale investments 16 162 162 Deferred tax assets 17 5,293 1,735 Deposits paid for acquisition of property, plant and equipment 4,406 Deposits paid for prepaid lease premium for land 7,873 Trade and other receivables 18 121,489 63,984 Prepaid lease premium for land - current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from directors 21 4 Bank balances and cash 22 33,045 7,779 Zasa,932 179,735 4 Amounts due to related companies 20 5,414 15,935 Amounts due to directors 24 9,900 1,169 Dividend payable to the then shareholders 5,151 110,986 48,598 Bank borr | | Notes | <i>RMB'000</i> | RMB'000 |
| Available-for-sale investments 16 162 162 Deferred tax asets 17 5,293 1,735 Deposits paid for acquisition of property, plant and equipment 4,406 Deposits paid for prepaid lease premium for land 7,873 CURRENT ASSETS 110,827 63,769 Inventories 18 121,489 63,984 Prepaid lease premium for land - current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from related companies 20 8,579 7,168 Amounts due from directors 21 - 4 Bank balances and cash 22 33,045 7,779 CURRENT LIABILITIES 7 - 5,151 Trade and other payables 23 83,952 71,030 Amounts due to directors 24 9,900 1,169 Dividend payable to the hen shareholders - 5,151 5,151 Tax payable 8,680 4,152 8,680 4,152 Bank borrowings 25 65,000 33,700 | | 13 | 84,301 | 59,527 |
| Deferred tax assets 17 5,293 1,735 Deposits paid for acquisition of property, plant and equipment 7,873 Deposits paid for prepaid lease premium for land 7,873 110,827 63,769 CURRENT ASSETS Inventories 18 121,489 63,984 Prepaid lease premium for land - current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from related companies 20 8,579 7,168 Amounts due form directors 21 4 Bank balances and cash 22 33,045 7,779 283,932 179,735 CURRENT LIABILITIES 4 9,900 1,169 Dividend payable to the then shareholders 5,151 5,151 Tax payable 8,680 4,152 110,986 48,598 Dividend payable to the then shareholders 5,550 | Prepaid lease premium for land – non-current portion | 14 | 8,792 | 2,345 |
| Deposits paid for acquisition of property, plant and equipment Deposits paid for prepaid lease premium for land 4,406 - CURRENT ASSETS - | Available-for-sale investments | 16 | 162 | 162 |
| Deposits paid for prepaid lease premium for land 7,873 — CURRENT ASSETS - - 110,827 63,769 Inventories 18 121,489 63,984 Prepaid lease premium for land – current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from directors 21 — 4 Bank balances and cash 22 33,045 7,779 CURRENT LIABILITIES - 4 15,935 Amounts due to crelated companies 20 5,414 15,935 Amounts due to related companies 20 5,414 15,935 Amounts due to directors 24 9,900 1,169 Dividend payable to the then shareholders — 5,151 5,500 33,700 Tax payable 8,680 4,152 48,598 221,813 112,367 CAPITAL AND RESERVES 216,1734 108,221 112,367 24,734 108,221 Paid-in capital 26 4,080 — </td <td>Deferred tax assets</td> <td>17</td> <td>5,293</td> <td>1,735</td> | Deferred tax assets | 17 | 5,293 | 1,735 |
| CURRENT ASSETS 110,827 63,769 Inventories 18 121,489 63,984 Prepaid lease premium for land – current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from related companies 20 8,579 7,168 Amounts due from directors 21 - 4 Bank balances and cash 22 33,045 7,779 ZB3,932 179,735 283,932 179,735 CURRENT LIABILITIES 20 5,414 15,935 Amounts due to related companies 20 5,414 15,935 Amounts due to directors 24 9,900 1,169 Dividend payable to the then shareholders - 5,151 5,500 Tax payable 8,680 4,152 - 5,151 Bank borrowings 25 65,000 33,700 NET CURRENT ASSETS 110,986 48,598 221,813 112,367 CAPITAL AND RESERVES 21,4734 108,221 108,221 Paid-in capital 26 4,080 - <td>Deposits paid for acquisition of property, plant and equipmen</td> <td>t</td> <td>4,406</td> <td>—</td> | Deposits paid for acquisition of property, plant and equipmen | t | 4,406 | — |
| CURRENT ASSETS Inventories 18 121,489 63,984 Prepaid lease premium for land – current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from related companies 20 8,579 7,168 Amounts due from directors 21 — 4 Bank balances and cash 22 33,045 7,779 283,932 179,735 | Deposits paid for prepaid lease premium for land | | 7,873 | — |
| Inventories 18 121,489 63,984 Prepaid lease premium for land – current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from related companies 20 8,579 7,168 Amounts due from directors 21 — 4 Bank balances and cash 22 33,045 7,779 283,932 179,735 | | | 110,827 | 63,769 |
| Inventories 18 121,489 63,984 Prepaid lease premium for land – current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from related companies 20 8,579 7,168 Amounts due from directors 21 — 4 Bank balances and cash 22 33,045 7,779 283,932 179,735 | CURRENT ASSETS | | | |
| Prepaid lease premium for land – current portion 14 133 53 Trade and other receivables 19 120,686 100,747 Amounts due from related companies 20 8,579 7,168 Amounts due from directors 21 — 4 Bank balances and cash 22 33,045 7,779 283,932 179,735 283,932 179,735 CURRENT LIABILITIES | Inventories | 18 | 121,489 | 63,984 |
| Amounts due from related companies 20 8,579 7,168 Amounts due from directors 21 — 4 Bank balances and cash 22 33,045 7,779 283,932 179,735 CURRENT LIABILITIES | Prepaid lease premium for land – current portion | 14 | | |
| Amounts due from directors 21 — 4 Bank balances and cash 22 33,045 7,779 283,932 179,735 CURRENT LIABILITIES | Trade and other receivables | 19 | 120,686 | 100,747 |
| Bank balances and cash 22 33,045 7,779 283,932 179,735 CURRENT LIABILITIES 23 83,952 71,030 Amounts due to related companies 20 5,414 15,935 Amounts due to directors 24 9,900 1,169 Dividend payable to the then shareholders - 5,151 5,151 Tax payable 8,680 4,152 65,000 33,700 NET CURRENT ASSETS 110,986 48,598 221,813 112,367 CAPITAL AND RESERVES 26 4,080 - - Paid-in capital Reserves 26 4,080 - - Equity attributable to equity holders of the Company Minority interest 218,814 108,221 2,999 4,146 | Amounts due from related companies | 20 | 8,579 | 7,168 |
| CURRENT LIABILITIES 23 83,952 71,030 Trade and other payables 23 83,952 71,030 Amounts due to related companies 20 5,414 15,935 Amounts due to directors 24 9,900 1,169 Dividend payable to the then shareholders | Amounts due from directors | 21 | | 4 |
| CURRENT LIABILITIES Trade and other payables2383,95271,030Amounts due to related companies205,41415,935Amounts due to directors249,9001,169Dividend payable to the then shareholders—5,151Tax payable8,6804,152Bank borrowings2565,000MET CURRENT ASSETS110,98648,598221,813112,367CAPITAL AND RESERVES Paid-in capital Reserves264,080Paid-in capital | Bank balances and cash | 22 | 33,045 | 7,779 |
| Trade and other payables 23 83,952 71,030 Amounts due to related companies 20 5,414 15,935 Amounts due to directors 24 9,900 1,169 Dividend payable to the then shareholders - 5,151 Tax payable 8,680 4,152 Bank borrowings 25 65,000 33,700 NET CURRENT ASSETS 110,986 48,598 221,813 112,367 221,813 112,367 CAPITAL AND RESERVES 26 4,080 - Paid-in capital 26 4,080 - Reserves 214,734 108,221 108,221 Minority interest 218,814 108,221 2,999 4,146 | | | 283,932 | 179,735 |
| Amounts due to related companies 20 5,414 15,935 Amounts due to directors 24 9,900 1,169 Dividend payable to the then shareholders | CURRENT LIABILITIES | | | |
| Amounts due to directors 24 9,900 1,169 Dividend payable to the then shareholders 5,151 Tax payable 8,680 4,152 Bank borrowings 25 65,000 33,700 IT72,946 131,137 NET CURRENT ASSETS 110,986 48,598 221,813 112,367 CAPITAL AND RESERVES 26 4,080 Paid-in capital 26 4,080 Reserves 214,734 108,221 108,221 Lequity attributable to equity holders of the Company 218,814 108,221 Minority interest 2,999 4,146 | Trade and other payables | 23 | 83,952 | 71,030 |
| Dividend payable to the then shareholders — 5,151 Tax payable 8,680 4,152 Bank borrowings 25 65,000 33,700 172,946 131,137 NET CURRENT ASSETS 110,986 48,598 221,813 112,367 Paid-in capital Reserves 26 4,080 — Equity attributable to equity holders of the Company Minority interest 218,814 108,221 2,999 4,146 2,999 4,146 | Amounts due to related companies | 20 | 5,414 | 15,935 |
| Tax payable 8,680 4,152 Bank borrowings 25 65,000 33,700 172,946 131,137 NET CURRENT ASSETS 110,986 48,598 221,813 112,367 CAPITAL AND RESERVES 26 4,080 — Paid-in capital 26 4,080 — Reserves 214,734 108,221 108,221 Equity attributable to equity holders of the Company 218,814 108,221 Minority interest 2,999 4,146 | | 24 | 9,900 | |
| Bank borrowings 25 65,000 33,700 172,946 131,137 NET CURRENT ASSETS 110,986 48,598 221,813 112,367 CAPITAL AND RESERVES 26 4,080 — Paid-in capital 26 4,080 — Reserves 214,734 108,221 Equity attributable to equity holders of the Company 218,814 108,221 Minority interest 2,999 4,146 | | | | |
| NET CURRENT ASSETS 172,946 131,137 NET CURRENT ASSETS 110,986 48,598 221,813 112,367 CAPITAL AND RESERVES 26 4,080 Paid-in capital 26 4,080 Reserves 214,734 108,221 Equity attributable to equity holders of the Company 218,814 108,221 Minority interest 2,999 4,146 | | | | |
| NET CURRENT ASSETS110,98648,598221,813112,367CAPITAL AND RESERVES264,080—Paid-in capital264,080—Reserves214,734108,221Equity attributable to equity holders of the Company Minority interest218,814108,2214,146 | Bank borrowings | 25 | 65,000 | 33,700 |
| CAPITAL AND RESERVES221,813112,367Paid-in capital264,080—Reserves214,734108,221Equity attributable to equity holders of the Company Minority interest218,814108,2212,9994,146 | | | 172,946 | 131,137 |
| CAPITAL AND RESERVESPaid-in capital264,080Reserves214,734108,221Equity attributable to equity holders of the Company Minority interest218,814108,2212,9994,146 | NET CURRENT ASSETS | | 110,986 | 48,598 |
| Paid-in capital264,080—Reserves214,734108,221Equity attributable to equity holders of the Company Minority interest218,814108,2212,9994,146 | | | 221,813 | 112,367 |
| Paid-in capital264,080—Reserves214,734108,221Equity attributable to equity holders of the Company Minority interest218,814108,2212,9994,146 | CAPITAL AND RESERVES | | | |
| Reserves214,734108,221Equity attributable to equity holders of the Company Minority interest218,814108,2212,9994,146 | | 26 | 4,080 | _ |
| Minority interest 2,999 4,146 | | | 214,734 | 108,221 |
| | Equity attributable to equity holders of the Company | | 218,814 | 108,221 |
| 221,813 112,367 | Minority interest | | 2,999 | 4,146 |
| | | | 221,813 | 112,367 |

The financial statements on pages 43 to 81 were approved and authorised for issue by the Board of Directors on 25 April 2007 and are signed on its behalf by:

44

Yang Senmao Director Xu Xiaoping Director