

(A) FINANCIAL STATEMENTS PREPARED UNDER THE PRC ACCOUNTING RULES AND REGULATIONS
CONSOLIDATED BALANCE SHEET

at 31 December 2004

	Note	2004 RMB millions	2003 RMB millions
Assets			
Current assets			
Cash at bank and in hand	4	18,280	17,405
Bills receivable	5	7,812	5,953
Trade accounts receivable	6	9,756	9,284
Other receivables	7	12,462	15,457
Advance payments	8	4,828	3,904
Inventories	9	63,918	44,915
Total current assets		117,056	96,918
Long-term equity investments (Including equity investment differences of RMB 383 million (2003: RMB 400 million))	10	13,409	11,150
Fixed assets			
Fixed assets, at cost		519,462	461,128
Less: Accumulated depreciation		243,510	213,804
Net book value of fixed assets before impairment losses	11	275,952	247,324
Less: Provision for impairment losses on fixed assets	11	5,816	1,331
Net book value of fixed assets		270,136	245,993
Construction materials	12	430	1,226
Construction in progress	13	45,976	28,513
Total fixed assets		316,542	275,732
Intangible assets and other assets			
Intangible assets	14	5,345	4,564
Long-term deferred expenses	15	3,563	97
Total intangible assets and other assets		8,908	4,661
Deferred tax assets	16	4,166	1,752
Total assets		460,081	390,213
Liabilities and shareholders' funds			
Current liabilities			
Short-term loans	17	26,723	20,904
Bills payable	18	30,797	23,958
Trade accounts payable	19	23,792	22,704
Receipts in advance	20	8,605	5,908
Wages payable		3,223	1,850
Staff welfare payable		1,101	1,230
Taxes payable	21	6,741	6,986
Other payables	22	1,519	1,237
Other creditors	23	26,459	27,537
Accrued expenses	24	652	303
Current portion of long-term liabilities	25	14,298	8,175
Total current liabilities		143,910	120,792
Long-term liabilities			
Long-term loans	26	94,087	79,221
Debentures payable	27	3,500	—
Other long-term payables	28	820	888
Total long-term liabilities		98,407	80,109
Deferred tax liabilities	16	198	289
Total liabilities		242,515	201,190
Minority interests			
		31,216	26,077
Shareholders' funds			
Share capital	29	86,702	86,702
Capital reserve	30	37,121	36,852
Surplus reserves (Including statutory public welfare fund of RMB 9,558 million (2003: RMB 6,330 million))	31	26,116	19,660
Unrecognised investment losses		(713)	(243)
Undistributed profits (Including dividend declared after the balance sheet date in respect of year 2004 of RMB 6,936 million (2003: RMB 5,202 million))	39	37,124	19,975
Total shareholders' funds		186,350	162,946
Total liabilities and shareholders' funds		460,081	390,213

Approved by the Board of Directors on 25 March 2005.

Chen Tonghai
 Chairman
 (Authorised representative)

Wang Jiming
 Vice Chairman
 and President

Zhang Jiaren
 Director, Senior Vice President
 and Chief Financial Officer

Liu Yun
 Head of Accounting
 Division

The notes on pages 94 to 125 form part of these financial statements.