

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

at 31 December 2005

	Note	2005 RMB millions	2004 RMB millions
Assets			
Current assets			
Cash at bank and in hand	4	14,747	18,280
Bills receivable	5	7,143	7,812
Trade accounts receivable	6	14,532	9,756
Other receivables	7	11,487	12,462
Advance payments	8	5,051	4,828
Inventories	9	88,936	63,918
Total current assets		141,896	117,056
Long-term equity investments (Including equity investment differences of RMB 2,003 million (2004: RMB 383 million))	10	14,146	13,409
Fixed assets			
Fixed assets, at cost		572,465	519,462
Less: Accumulated depreciation		265,611	243,510
Net book value of fixed assets before impairment losses	11	306,854	275,952
Less: Provision for impairment losses on fixed assets	11	6,234	5,816
Net book value of fixed assets		300,620	270,136
Construction materials	12	555	430
Construction in progress	13	48,073	45,976
Total fixed assets		349,248	316,542
Intangible assets and other assets			
Intangible assets	14	5,924	5,345
Long-term deferred expenses	15	3,657	3,563
Total intangible assets and other assets		9,581	8,908
Deferred tax assets	16	5,701	4,166
Total assets		520,572	460,081
Liabilities and shareholders' funds			
Current liabilities			
Short-term loans	17	16,124	26,723
Bills payable	18	23,243	30,797
Trade accounts payable	19	52,967	23,792
Receipts in advance	20	14,086	8,605
Wages payable		3,436	3,223
Staff welfare payable		1,052	1,101
Taxes payable	21	5,262	6,741
Other payables	22	1,830	1,519
Other creditors	23	24,161	26,459
Accrued expenses	24	512	652
Short-term debentures payable	27	9,921	—
Current portion of long-term loans	25	15,198	14,298
Total current liabilities		167,792	143,910
Long-term liabilities			
Long-term loans	26	103,492	94,087
Debentures payable	27	3,500	3,500
Other long-term liabilities	28	782	820
Total long-term liabilities		107,774	98,407
Deferred tax liabilities	16	—	198
Total liabilities		275,566	242,515
Minority interests			
		29,383	31,216
Shareholders' funds			
Share capital	29	86,702	86,702
Capital reserve	30	37,121	37,121
Surplus reserves (Including statutory public welfare fund of RMB 13,514 million (2004: RMB 9,558 million))	31	34,028	26,116
Unrecognised investment losses		(594)	(713)
Retained profits (Including dividend proposed after the balance sheet date in respect of year 2005 of RMB 7,803 million (2004: RMB 6,936 million))	40	58,366	37,124
Total shareholders' funds		215,623	186,350
Total liabilities and shareholders' funds		520,572	460,081

These financial statements have been approved by the Board of Directors on 31 March 2006.

Chen Tonghai
 Chairman
 (Authorised representative)

Wang Tianpu
 President

Zhang Jiaren
 Director and
 Chief Financial Officer

Liu Yun
 Head of Accounting
 Division

The notes on pages 92 to 122 form part of these financial statements.