

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

at 31 December 2006

	Note	2006 RMB millions	2005 RMB millions
Assets			
Current assets			
Cash at bank and in hand	4	8,723	14,747
Bills receivable	5	8,757	7,143
Trade accounts receivable	6	15,590	14,532
Other receivables	7	10,597	11,487
Advance payments	8	5,392	5,051
Inventories	9	93,041	88,936
Total current assets		142,100	141,896
Long-term equity investments (Including equity investment differences of RMB 13,322 million (2005: RMB 2,003 million))	10	27,483	14,146
Fixed assets			
Fixed assets, at cost		650,689	572,465
Less: Accumulated depreciation		291,151	265,611
Net book value of fixed assets before impairment losses	11	359,538	306,854
Less: Provision for impairment losses on fixed assets	11	6,025	6,234
Net book value of fixed assets		353,513	300,620
Construction materials	12	413	555
Construction in progress	13	52,757	48,073
Total fixed assets		406,683	349,248
Intangible assets and other assets			
Intangible assets	14	6,676	5,924
Long-term deferred expenses	15	4,898	3,657
Total intangible assets and other assets		11,574	9,581
Deferred tax assets	16	6,710	5,701
Total assets		594,550	520,572
Liabilities and shareholders' funds			
Current liabilities			
Short-term loans	17	30,515	16,124
Bills payable	18	21,685	23,243
Trade accounts payable	19	52,125	52,967
Receipts in advance	20	19,689	14,086
Wages payable		3,194	3,436
Staff welfare payable		969	1,052
Taxes payable	21	11,348	5,262
Other payables	22	3,731	1,830
Other creditors	23	36,065	24,161
Accrued expenses	24	264	512
Short-term debentures payable	27	11,885	9,921
Current portion of long-term loans	25	16,360	15,198
Total current liabilities		207,830	167,792
Long-term liabilities			
Long-term loans	26	105,565	103,492
Debentures payable	27	3,500	3,500
Other long-term liabilities	28	795	782
Total long-term liabilities		109,860	107,774
Total liabilities		317,690	275,566
Minority interests		21,985	29,383
Shareholders' funds			
Share capital	29	86,702	86,702
Capital reserve	30	37,607	37,121
Surplus reserves	31	59,094	34,028
Unrecognised investment losses		(1,221)	(594)
Retained profits (Including dividend proposed after the balance sheet date in respect of year 2006 of RMB 9,537 million (2005: RMB 7,803 million))	40	72,693	58,366
Total shareholders' funds		254,875	215,623
Total liabilities and shareholders' funds		594,550	520,572

These financial statements have been approved by the board of directors on 6 April 2007.

Chen Tonghai
 Chairman
 (Authorised representative)

Wang Tianpu
 Director,
 President

Dai Houliang
 Director,
 Senior Vice President and
 Chief Financial Officer

Liu Yun
 Head of Corporate Finance
 Department

The notes on pages 86 to 115 form part of these financial statements.