

Accounting Standards for Enterprises No. 30 - Presentation of Financial Statements**No. 3 [2006] of the Ministry of Finance****Chapter I General Provisions**

Article 1 With a view to regulating the presentation of financial statements and guaranteeing the commensurability between the financial statements of a same enterprise in different periods and between the financial statements of different enterprises in a same period, the present Standards is formulated according to the Accounting Standards for Enterprises - Basic Standards.

Article 2 The "financial statements" are structural reports on the financial status, business performance and cash flow of an enterprise, which shall at least include the following parts:

- (1) the balance sheet;
- (2) the profit statement;
- (3) the cash flow statement;
- (4) the statement of changes in the owner's equities (or shareholder's equities, the same below); and
- (5) the notes.

Article 3 The preparation and presentation of a cash flow statement, and the special presentation requirements of other accounting standards shall be subject to the Accounting Standards for Enterprises No. 31 - Cash Flow Statement and other relevant accounting standards.

Chapter II Basic Requirements

Article 4 An enterprise shall, on the basis of continuous operation, recognize and measure the actually occurred transactions and events according to the Accounting Standards for Enterprises - Basic Standards and the provisions of other accounting standards, and then prepare financial statements.

No enterprise may substitute the note disclosure for the recognition and measurement.

Where it is not reasonable any more to prepare financial statements on the basis of continuous operation, the enterprise shall prepare financial statements with other basis and shall disclose this fact in its notes.

Article 5 The presentations of items in financial statements in different accounting periods shall be kept consistent, which shall not be changed randomly with the exception of those under the following circumstances:

- (1) It is required to change the presentation of the items of financial statements according to some accounting standards; and
- (2) After great change of the nature of business operation of an enterprise, the presentation of items of post-change financial statements can be able to provide more reliable and more relevant accounting information.

Article 6 Items with different nature or function shall be separately presented in financial statements, with the exception of those of no importance.

As for items with similar nature or function, if the category in which they fall is of importance, they must be presented separately in the financial statements.

The term "importance" refers to that an item is of significance when the omission or false

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

reporting thereof may affect the economic decision-making of the user on the basis of it. Then, the item shall be considered of importance.

The importance shall, in light of the environment in which the enterprise is situated, be judged on the basis of the nature and amount of the item.

Article 7 The amounts of the items of assets and liabilities, incomes and expenses in financial statements shall not countervail each other, unless it is otherwise provided for in other accounting standards.

The presentation of the net amount of an asset item minus the impairment provision is not an offset.

The presentation of the net amount of any gain or loss produced by any non-routine activity minus the expenses is not an offset.

Article 8 The presentation of financial statements of the current period shall at least provide the comparative data of all items of the previous comparative period, as well as the explanations on the understanding of the financial statements of the current period, unless it is otherwise provided for in other accounting standards.

According to the provisions of Article 5 of the present Standards, where there is any change to the items presented in the financial statements, an adjustment shall be made to the comparative date of the previous period in light of the presentation requirements of the current period, and the reasons and nature of the adjustment and the adjustment amount to each item shall be disclosed in the notes.

In case it is not feasible to adjust the comparative data of the previous period, the reasons for the failure of adjustment shall be disclosed in the notes.

The term "infeasibility" refers to that an enterprise is still unable to adopt a certain provision after it makes all reasonable efforts.

Article 9 An enterprise shall, at the eye-catching place of the financial statements, disclose the following items:

- (1) the name of the presenting enterprise;
- (2) the balance sheet date or the accounting period covered by the financial statements;
- (3) the unit of RMB amount;
- (4) If the financial statements are consolidated financial statements, an indication shall be given.

Article 10 An enterprise shall at least prepare financial statements on a yearly basis. If the period covered by the annual financial statements is less than one year, the period covered by the annual financial statements and the reasons for being less than one year shall be disclosed.

If an enterprise offers interim financial reports to outsiders, it shall accord with the Accounting Standards for Enterprises No. 32 - Interim Financial Reports as well.

Article 11 The items that are required to be presented separately according to the present Standards, they shall be separately presented.

Items that are required to be separately presented according to other accounting standards, the items to be separately presented shall be added.

Chapter III Balance Sheets

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

Article 12 The assets and liabilities shall be presented as current and non-current assets and liabilities, respectively.

As for the assets and liabilities of a financial enterprise, if the presentation based on fluidity provides reliable and more relevant information, the assets and liabilities may be presented on the basis of the fluidity order.

Article 13 Where an asset meets any of the following conditions, it shall be classified as current assets:

- (1) It is expected to be realized, sold or consumed within a normal business cycle;
- (2) It is held mainly for trading;
- (3) It is expected to be realized within one year as of the balance sheet date (including one year, the same below); and
- (4) It is cash or cash equivalent, which is subject to no limit when it is used to exchange other assets or to pay off the liabilities as of the balance sheet date.

Article 14 The assets other than current assets shall be classified as non-current assets, and shall be presented on the basis of their respective nature.

Article 15 The liability that can meet the following conditions shall be classified as current liabilities:

- (1) It is expected to be repaid within a normal business cycle;
- (2) It is held mainly for trading;
- (3) It shall be repaid at maturity within one year as of the balance sheet date; and
- (4) It is an asset for which the enterprise does not have an unconditional right to delay payment more than one year after the balance sheet date.

Article 16 The liabilities other than current liabilities shall be classified as non-current liabilities, and shall be presented on the basis of their nature.

Article 17 As for a liability which will be at maturity within one year as of the balance sheet date, if the enterprise predicts that it can independently extend the repayment obligation by one year or more after the balance sheet date, it shall be classified as non-current liabilities.

If it predicts that it is unable to independently extend the repayment obligation, even if an agreement on the re-arrangement of the repayment plan is signed during the period after the balance sheet date but prior to the approval date of the financial reports, it shall be still classified as current liabilities.

Article 18 If a liability has become payable on demand because an enterprise has breached an undertaking under a long-term loan agreement, it shall be classified as current liabilities.

The liability is classified as non-current liabilities if the lender has agreed, on or before the balance sheet date, to provide a grace period ending one year or more after the balance sheet date, during which the entity can rectify the breach and the lender cannot demand immediate repayment.

Where any other long-term liability is under a similar circumstance, it shall be treated according to the provisions of the preceding 2 paragraphs.

Article 19 The category of assets in the balance sheets shall at least separately present items reflecting the following information:

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

- (1) money;
- (2) receivable and advance payments;
- (3) transaction investments;
- (4) inventories;
- (5) held-to-maturity investments;
- (6) long-term equity investments;
- (7) investment real estates;
- (8) fixed assets;
- (9) biological assets;
- (10) deferred income tax assets; and
- (11) intangible assets.

Article 20 The category of assets in the balance sheets shall at least include the aggregate item of current assets and non-current assets.

Article 21 The category of liabilities in the balance sheets shall at least separately present items reflecting the following information:

- (1) the short-term borrowings;
- (2) the payable and advance receipts;
- (3) the payable taxes;
- (4) the payable wages and salaries of employees;
- (5) the expected liabilities;
- (6) the long-term borrowings;
- (7) the long-term accounts payable;
- (8) the payable bonds; and
- (9) the deferred income tax liabilities.

Article 22 The category of liabilities in the balance sheets shall at least include the aggregate item of current liabilities, non-current liabilities and liabilities.

Article 23 The category of the owner's equities in the balance sheets shall at least separately present items reflecting the following information:

- (1) the paid-in capital (capital stock);
- (2) the additional paid-in capital;
- (3) the surplus reserves; and
- (4) the undistributed profits.

In the consolidated balance sheets, the equities of minority shareholders shall be separately presented in the category of equities.

Article 24 The category of equities in the balance sheets shall include the aggregate item of the owner's equities.

Article 25 The balance sheets shall present the total amount of the asset items, total amount of liability items and total amount of items of the owner's equities.

Chapter IV Profit Statements

Article 26 The expenses shall, on the basis of functions, be classified into costs, administrative

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

expenses, sale expenses and financial expenses occurred in business operation.

Article 27 The profit statements shall at least separately present items reflecting the following information:

- (1) the business incomes;
- (2) the business costs;
- (3) the business taxes;
- (4) the sale expenses;
- (5) the administrative expenses;
- (6) the financial expenses;
- (7) the investment gains;
- (8) the profits and losses on the changes in fair value;
- (9) the losses on the asset impairment;
- (10) the profits and losses on the disposal of non-current assets;
- (11) the income tax expenses; and
- (12) the net profits.

The financial enterprise may, according to its particularities, present the items in the profits.

Article 28 In the consolidated profit statements, an enterprise shall, under the item of net profits, separately present the profits and losses attributable to the parent company and the profits and losses attributable to the minority shareholders.

Chapter V Statements of Changes in the Owner's Equities

Article 29 The statements of changes in the owner's equities shall reflect the increases and decreases in the current period as integrate parts of the owner's equities.

The changes in the owner's equities, which result from the profits and losses in the current period, the gains and losses directly recorded into the owner's equities as well as the capital transaction with the owner (or shareholder, the same below), shall be presented respectively.

Article 30 The statements of changes in the owner's equities shall at least separately present items reflecting the following information:

- (1) the net profits;
- (2) the items of gains and losses directly recorded into the owner's equities, and the total amount of the said items;
- (3) the accumulative amount affected by changes in accounting policies and estimates? and correction of errors;
- (4) the capital invested by the owners and the profits distributed to them;
- (5) the surplus reserves made according to the relevant provisions; and
- (6) the information on the balance of the paid-in capital (stock capital), additional paid-in capital, surplus reserves, and the undistributed profits at the beginning and at end of the period, and the adjustments made to them.

Chapter VI Notes

Article 31 The notes are word descriptions or detailed information on the items presented in the

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

balance sheets, profits statements, cash flow statements and statements of changes in the owner' s equities, and the explanations on the items that are not presented in these statements.

Article 32The notes shall disclose the basis for the preparation of financial statements. The relevant information in the notes shall be cross-referenced with the items presented in the balance sheets, profits statements, cash flow statements and statements of changes in the owner' s equities.

Article 33Generally, the notes shall disclose the following items according to the following order:

- (1)the basis for the formulation of financial statements;
- (2)the declaration on compliance with the accounting standards for enterprises;
- (3)the explanations on the important accounting policies, including the basis for the measurement of items of the financial statements and the basis for the determination of accounting policies;
- (4)the explanations on the accounting estimates, including the basis for the determination of the accounting estimates that may result in a significant adjustment to the carrying amount of the assets or liabilities in the next accounting period;
- (5)the explanations on the changes in accounting policies and estimates? and explanations on the correction of errors;
- (6)the more detailed explanations on the important items presented in the balance sheets, profit statements, cash flow statements and statements of changes in the owner's equities, including the amount of the profit after the termination of business operation and its composition; and
- (7)the contingencies and commitments, non-adjustment events occurring after the balance sheet date, the relationship of connected parties and their transactions, and other items that need to be explanted.

Article 34An enterprise shall, during the period after the balance sheet date but before the financial statements are authorized for issue, disclose the total amount of dividends and the related amount per share it proposes or declares to distribute (or the total amount of profits to be distributed to investors).

Article 35In case an enterprise fails to disclose the following items along with other information publicized in the financial statements, it shall disclose them in its notes:

- (1)the registered place and organizational form, and the address of its headquarters;
- (2)the nature of its business operation, and its principal business activities; and
- (3)the name of its parent company and the ultimate parent company of the group.

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.