

Balance Sheet

As of 31 December 2004
(Expressed in thousands of RMB)

	Note	2004	2003
Non-current assets:			
Investment in subsidiaries	23	55,290,963	55,241,000
Property, plant and equipment, net	20	49,447	53,021
Long-term loan to a subsidiary	26(b)	5,793,550	5,793,690
Total non-current assets		61,133,960	61,087,711
Current assets:			
Amounts due from Unicom Group		134	179
Amounts due from a subsidiary		20,781	—
Prepayments and other current assets	19	34,463	28,332
Short-term bank deposits		270,513	620,046
Bank balances and cash		371,994	585,471
Total current assets		697,885	1,234,028
Current liabilities:			
Payables and accrued liabilities	24	47,358	60,321
Amounts due to subsidiaries		84,743	75,843
Short-term bank loans	25(b)	696,986	—
Total current liabilities		829,087	136,164
Net current (liabilities)/assets		(131,202)	1,097,864
Total assets less current liabilities		61,002,758	62,185,575
Financed by:			
Shareholders' equity:			
Share capital	28	1,332,487	1,331,390
Share premium		52,546,294	52,483,266
Retained profits:			
Proposed final dividend	15(b)	1,256,349	1,255,317
Others		74,078	1,321,912
Shareholders' equity		55,209,208	56,391,885
Non-current liabilities:			
Long-term bank loans	26(b)	5,793,550	5,793,690
Total non-current liabilities		5,793,550	5,793,690
		61,002,758	62,185,575

Approved by the Board of Directors on 24 March 2005 and signed on behalf of the Board by:

Chang Xiaobing
Director

Tong Jilu
Director