

# Balance Sheets

As at 31st December 2005

(Prepared in accordance with International Financial Reporting Standards)

(Amounts expressed in thousands of RMB)

	Note	The Company and its subsidiaries As at 31st December		The Company As at 31st December	
		2005	2004 Restated	2005	2004 Restated (Note 2(a))
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment, net	11	78,997,297	57,780,410	38,947,310	36,861,955
Investments in associates	12	4,593,984	4,328,307	3,884,659	4,018,641
Investments in subsidiaries	13	—	—	8,849,746	5,332,727
Available-for-sale investment	14	1,033,225	254,990	1,033,225	254,990
Land use rights	15	1,679,765	1,546,026	1,133,130	1,091,128
Other non-current assets		336,379	225,890	101,534	115,060
Deferred income tax assets	29	64,075	97,539	13,261	12,536
Goodwill	16	671,796	376,726	108,938	108,938
Less: negative goodwill	16	—	(1,483,670)	—	(1,483,670)
<b>Total non-current assets</b>		<b>87,376,521</b>	<b>63,126,218</b>	<b>54,071,803</b>	<b>46,312,305</b>
<b>Current assets</b>					
Inventories, net	17	2,311,357	1,431,404	1,380,845	822,344
Other receivables and assets, net	18	855,952	723,316	556,245	327,865
Accounts receivable, net	19	6,022,426	4,973,103	3,802,559	3,090,071
Due from subsidiaries	8(a)(v)	—	—	23,715	20,256
Due from HIPDC	8(a)(v)	21,847	—	—	—
Due from other related parties	8(a)(v)	—	14,970	—	14,970
Restricted cash		201,276	202,688	173,855	157,691
Temporary cash investments	20	2,652	12,641	2,652	12,641
Cash and cash equivalents	34(a)	2,647,665	2,295,531	713,396	1,211,178
<b>Total current assets</b>		<b>12,063,175</b>	<b>9,653,653</b>	<b>6,653,267</b>	<b>5,657,016</b>
<b>Total assets</b>		<b>99,439,696</b>	<b>72,779,871</b>	<b>60,725,070</b>	<b>51,969,321</b>

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<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
8,500,000,000 (2004: 8,500,000,000) domestic shares, par value of RMB1.00 each, in form of legal person shares	21	8,500,000	8,500,000	8,500,000	8,500,000
500,000,000 (2004: 500,000,000) A shares, par value of RMB1.00 each	21	500,000	500,000	500,000	500,000
3,055,383,440 (2004: 3,055,383,440) overseas listed foreign shares, par value of RMB1.00 each	21	3,055,383	3,055,383	3,055,383	3,055,383
Additional paid-in capital		8,988,107	8,972,184	8,972,184	8,972,184
Dedicated capital	22	4,899,429	4,065,970	4,899,429	4,065,970
Fair value gains from available-for-sale investment, net of tax	14 & 29	636,964	—	636,964	—
Retained earnings					
Proposed dividend	23	3,013,846	3,013,846	3,013,846	3,013,846
Others		10,443,745	8,158,136	8,767,490	7,364,981
		40,037,474	36,265,519	38,345,296	35,472,364
Minority interests		6,106,713	3,266,393	—	—
<b>Total equity</b>		<b>46,144,187</b>	<b>39,531,912</b>	<b>38,345,296</b>	<b>35,472,364</b>
<b>Non-current liabilities</b>					
Long-term loans from a shareholder	24	2,800,000	800,000	2,000,000	—
Long-term bank loans	24	25,711,255	14,761,271	7,475,460	6,485,209
Other long-term loans	24	351,009	394,018	—	—
Deferred income tax liabilities	29	1,157,775	546,717	336,441	15,306
Other non-current liabilities		168,328	13,000	79,159	—
<b>Total non-current liabilities</b>		<b>30,188,367</b>	<b>16,515,006</b>	<b>9,891,060</b>	<b>6,500,515</b>

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<b>Current liabilities</b>					
Accounts payable and other liabilities	25	6,905,240	4,551,158	3,634,442	2,844,987
Dividends payable to shareholders of the Company		—	8,250	—	8,250
Taxes payable	26	1,131,284	999,792	506,983	547,545
Due to Huaneng Group	8(a)(v)	50,720	190	6,129	—
Due to HIPDC	8(a)(v)	53,230	1,258,799	53,230	1,258,518
Due to an associate	8(a)(v)	—	3,799	—	—
Due to other related parties	8(a)(v)	29,620	9,437	14,918	6,645
Staff welfare and bonus payables		251,949	259,291	129,207	175,355
Short-term bonds	27	4,938,250	—	4,938,250	—
Short-term loans	28	6,580,870	8,099,000	2,200,000	4,330,000
Current portion of long-term bank loans	24	2,653,339	1,225,476	1,005,555	825,142
Current portion of other long-term loans	24	512,640	317,761	—	—
<b>Total current liabilities</b>		<b>23,107,142</b>	<b>16,732,953</b>	<b>12,488,714</b>	<b>9,996,442</b>
<b>Total equity and liabilities</b>		<b>99,439,696</b>	<b>72,779,871</b>	<b>60,725,070</b>	<b>51,969,321</b>

These financial statements have been approved for issue by the Board of Directors on 28th March 2006.

Na Xizhi  
Director

Huang Long  
Director

The notes on pages 104 to 178 are an integral part of these financial statements.