

At 31 December 2004  
(Amounts in millions)

	Note	2004 RMB	2003 RMB
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	3	351	375
Construction in progress	4	73	77
Interests in subsidiaries	5	205,027	184,343
Other assets		37	46
<b>Total non-current assets</b>		<b>205,488</b>	<b>184,841</b>
<b>Current assets</b>			
Accounts receivable, net	10	5	—
Prepayments and other current assets	11	2,519	1,776
Cash and cash equivalents	12	3,682	1,190
Income tax recoverable		3	—
<b>Total current assets</b>		<b>6,209</b>	<b>2,966</b>
<b>Total assets</b>		<b>211,697</b>	<b>187,807</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable	14	17	106
Accrued expenses and other payables	15	2,324	975
Income tax payable		—	932
<b>Total current liabilities</b>		<b>2,341</b>	<b>2,013</b>
<b>Net current assets</b>		<b>3,868</b>	<b>953</b>
<b>Total assets less current liabilities</b>		<b>209,356</b>	<b>185,794</b>
<b>Non-current liabilities</b>			
Long-term debt	13	50,150	35,000
<b>Total liabilities</b>		<b>52,491</b>	<b>37,013</b>

The notes on pages 79 to 127 form part of these financial statements.

## ▶▶▶ BALANCE SHEET

At 31 December 2004  
(Amounts in millions)

	Note	2004 RMB	2003 RMB
<b>Shareholders' equity</b>			
Share capital	18	80,932	75,614
Reserves	19	78,274	75,180
<b>Total shareholders' equity</b>		<b>159,206</b>	<b>150,794</b>
<b>Total liabilities and shareholders' equity</b>		<b>211,697</b>	<b>187,807</b>

Approved and authorised for issue by the Board of Directors on 31 March 2005.

**Wang Xiaochu**  
*Chairman and Chief  
Executive Officer*

**Leng Rongquan**  
*Executive Director,  
President and Chief  
Operating Officer*

**Wu Andi**  
*Executive Director,  
Executive Vice President  
and Chief Financial Officer*

The notes on pages 79 to 127 form part of these financial statements.