

# Consolidated Balance Sheet

As at 31 December 2005

(All amounts in Renminbi ("RMB") thousands)

		As at 31 December	
		2005	2004 Restated (Note 2.2)
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.2, 6	116,056,432	118,492,120
Goodwill	2.2, 7	3,143,983	3,136,557
Other assets	2.2, 8	7,818,583	9,694,761
Deferred income tax assets	2.2, 9	335,234	468,774
		127,354,232	131,792,212
<b>Current assets</b>			
Inventories	10	2,107,812	3,114,632
Accounts receivable, net	11	4,548,429	5,229,980
Prepayments and other current assets	12	2,342,467	3,059,714
Amounts due from Domestic Carriers	32.2	138,485	269,919
Amounts due from Unicom Group	32.1	—	61,401
Amounts due from related parties	32.1	384,531	193,048
Short-term bank deposits		282,457	662,025
Bank balances and cash	13	5,471,576	4,655,464
		15,275,757	17,246,183
<b>Total assets</b>		<b>142,629,989</b>	<b>149,038,395</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's shareholders</b>			
Share capital	14	1,333,621	1,332,487
Share premium	14	52,601,014	52,546,294
Reserves		2,827,331	2,259,295
Retained profits			
– Proposed final dividend	30	1,383,169	1,256,349
– Others		18,139,210	15,047,816
		76,284,345	72,442,241
<b>Minority interest</b>	1, 20	<b>2,734</b>	<b>—</b>
<b>Total equity</b>		<b>76,287,079</b>	<b>72,442,241</b>

		As at 31 December	
		2005	2004 Restated (Note 2.2)
	Note		
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	15	11,981,518	26,137,188
Obligations under finance leases	16	145,367	488,956
Deferred income tax liabilities	9	5,613	3,262
Deferred revenue	2.2	3,348,232	3,840,493
Other long-term liabilities		—	2,578
		15,480,730	30,472,477
<b>Current liabilities</b>			
Payables and accrued liabilities	17	18,526,628	16,785,749
Taxes payable		1,016,128	395,688
Amounts due to Domestic Carriers	32.2	822,006	948,574
Amounts due to Unicom Group	32.1	38,094	—
Amounts due to related parties	32.1	116,621	5,760
Short-term bonds	18	9,865,900	—
Short-term bank loans	19	7,024,358	8,928,417
Current portion of long-term bank loans	15	5,145,190	11,086,305
Current portion of obligations under finance leases	16	420,631	938,189
Advances from customers	2.14	7,886,624	7,034,995
		50,862,180	46,123,677
<b>Total liabilities</b>		66,342,910	76,596,154
<b>Total equity and liabilities</b>		142,629,989	149,038,395
<b>Net current liabilities</b>		(35,586,423)	(28,877,494)
<b>Total assets less current liabilities</b>		91,767,809	102,914,718

The notes on pages 80 to 171 are an integral part of these consolidated financial statements.

Approved by the Board of Directors on 23 March 2006 and signed on behalf of the Board by

**Chang Xiaobing**  
Director

**Tong Jilu**  
Director