

# Balance Sheet

As at 31 December 2005

(All amounts in RMB thousands)

As at 31 December			
		2005	2004 Restated (Note 2.2)
Note			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	20	55,341,026	55,290,963
Property, plant and equipment	6	43,660	49,447
Long-term loan to a subsidiary	15(b)	5,649,162	5,793,550
		61,033,848	61,133,960
<b>Current assets</b>			
Prepayments and other current assets	12	50,366	34,463
Amounts due from Unicom Group	32.1	156	134
Amounts due from a subsidiary		21,897	20,781
Dividends receivable	27(b)	3,280,000	—
Short-term bank deposits		80,702	270,513
Bank balances and cash	13	299,744	371,994
		3,732,865	697,885
<b>Total assets</b>		<b>64,766,713</b>	<b>61,831,845</b>

		As at 31 December	
		2005	2004
	Note		Restated (Note 2.2)
<b>EQUITY</b>			
<b>Capital and reserve 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		215,361	110,664
Retained profits:			
– Proposed final dividend	30	1,383,169	1,256,349
– Others		1,709,952	(36,586)
<b>Total equity</b>		<b>57,243,117</b>	<b>55,209,208</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term bank loans	15	4,035,116	5,793,550
<b>Current liabilities</b>			
Payables and accrued liabilities	17	62,079	47,358
Amounts due to subsidiaries		90,658	84,743
Short-term bank loans	19	1,721,697	696,986
Current portion of long-term bank loans	15	1,614,046	—
		3,488,480	829,087
<b>Total liabilities</b>		<b>7,523,596</b>	<b>6,622,637</b>
<b>Total equity and liabilities</b>		<b>64,766,713</b>	<b>61,831,845</b>

The notes on pages 80 to 171 are an integral part of these 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