

# Balance Sheet

at 31 December 2006  
(Amounts in millions)

|  | Note | 2006<br>RMB    | 2005<br>RMB |
|--|------|----------------|-------------|
| <b>ASSETS</b>                                |      |                |             |
| <b>Non-current assets</b>                    |      |                |             |
| Property, plant and equipment, net           | 3    | 371            | 348         |
| Construction in progress                     | 4    | 249            | 156         |
| Investments in subsidiaries                  | 5    | 177,132        | 165,926     |
| Other assets                                 |      | 26             | 31          |
| <b>Total non-current assets</b>              |      | <b>177,778</b> | 166,461     |
| <b>Current assets</b>                        |      |                |             |
| Accounts receivable, net                     | 10   | 266            | 18          |
| Prepayments and other current assets         | 11   | 64,935         | 51,738      |
| Cash and cash equivalents                    | 12   | 8,381          | 4,139       |
| <b>Total current assets</b>                  |      | <b>73,582</b>  | 55,895      |
| <b>Total assets</b>                          |      | <b>251,360</b> | 222,356     |
| <b>LIABILITIES AND EQUITY</b>                |      |                |             |
| <b>Current liabilities</b>                   |      |                |             |
| Short-term debt                              | 13   | 20,000         | 9,917       |
| Accounts payable                             | 14   | 69             | 74          |
| Accrued expenses and other payables          | 15   | 15,809         | 719         |
| Income tax payable                           |      | 1,419          | 576         |
| <b>Total current liabilities</b>             |      | <b>37,297</b>  | 11,286      |
| <b>Net current assets</b>                    |      | <b>36,285</b>  | 44,609      |
| <b>Total assets less current liabilities</b> |      | <b>214,063</b> | 211,070     |
| <b>Non-current liabilities</b>               |      |                |             |
| Long-term debt                               | 13   | 30,150         | 40,150      |
| <b>Total liabilities</b>                     |      | <b>67,447</b>  | 51,436      |
| <b>Equity</b>                                |      |                |             |
| Share capital                                | 18   | 80,932         | 80,932      |
| Reserves                                     | 19   | 102,981        | 89,988      |
| <b>Total equity</b>                          |      | <b>183,913</b> | 170,920     |
| <b>Total liabilities and equity</b>          |      | <b>251,360</b> | 222,356     |

Approved and authorised for issue by the Board of Directors on 26 March 2007.

**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 92 to 139 form part of these financial statements.