

Balance Sheet

As at 31 December 2006

(All amounts in RMB thousands)

		As at 31 December	
	Note	2006	2005
ASSETS			
Non-current assets			
Investment in subsidiaries	22(a)	55,341,026	55,341,026
Property, plant and equipment	6	38,646	43,660
Loans to subsidiaries	22(b)	11,703,499	5,649,162
		67,083,171	61,033,848
Current assets			
Prepayments and other current assets	12	10,990	50,366
Amounts due from Unicom Group	33.1	22	156
Amounts due from a subsidiary	22(c)	169,889	21,897
Dividend receivable		3,200,000	3,280,000
Short-term bank deposits	13	187,449	80,702
Cash and cash equivalents	14	920,001	299,744
		4,488,351	3,732,865
Total assets		71,571,522	64,766,713
EQUITY			
Capital and reserve attributable to the Company's equity holders			
Share capital	15	1,344,440	1,333,621
Share premium	15	53,222,976	52,601,014
Reserves		264,173	215,361
Retained profits			
– Proposed final dividend	31	2,282,578	1,383,169
– Others		85,201	1,709,952
Total equity		57,199,368	57,243,117

As at 31 December			
	Note	2006	2005
LIABILITIES			
Non-current liabilities			
Long-term bank loans	16	3,904,349	4,035,116
Convertible bonds	17	10,324,949	—
		14,229,298	4,035,116
Current liabilities			
Payables and accrued liabilities	19	68,071	62,079
Amounts due to subsidiaries	22(c)	74,785	90,658
Short-term bank loans	21	—	1,721,697
Current portion of long-term bank loans	16	—	1,614,046
		142,856	3,488,480
Total liabilities		14,372,154	7,523,596
Total equity and liabilities		71,571,522	64,766,713

The notes on pages 84 to 170 are an integral part of this financial statement.

Approved by the Board of Directors on 29 March 2007 and signed on behalf of the Board by:

Chang Xiaobing

Director

Tong Jilu

Director