

At 31 December 2004
(Amounts in millions)

	Note	2004 RMB	2003 RMB
ASSETS			
Non-current assets			
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
Total non-current assets		205,488	184,841
Current assets			
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	—
Total current assets		6,209	2,966
Total assets		211,697	187,807
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable	14	17	106
Accrued expenses and other payables	15	2,324	975
Income tax payable		—	932
Total current liabilities		2,341	2,013
Net current assets		3,868	953
Total assets less current liabilities		209,356	185,794
Non-current liabilities			
Long-term debt	13	50,150	35,000
Total liabilities		52,491	37,013

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
Shareholders' equity			
Share capital	18	80,932	75,614
Reserves	19	78,274	75,180
Total shareholders' equity		159,206	150,794
Total liabilities and shareholders' equity		211,697	187,807

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.