

Datang Telecom (H.K.) Limited.**Consolidated Statement of financial position****As at December 31, 2014****(All amounts are expressed in CNY unless otherwise stated.)**

	Note	As at December 31, 2014	As at December 31, 2013
Current assets:			
Cash and cash equivalents	5.1	117,867,223.41	16,320,908.39
Deposit reservation for balance			
Lending funds			
Financial assets measured at fair value through profit and loss			
Derivative financial assets			
Notes receivable	5.2	800,000.00	2,027,900.00
Accounts receivable	5.3	421,072,068.46	537,531,711.38
Advances to suppliers	5.4	89,734,392.45	21,965,552.05
Premiums receivable			
Reinsurance accounts receivable			
Provision of cession receivable			
Dividends receivable			
Other receivables	5.5	80,080,744.25	5,290,624.22
Redemptory monetary capital for sale			
Inventories	5.6	555,589,819.59	305,295,820.63
Classified as assets held for sale			
Non-current assets maturing within one year			
Other current assets			
Total current assets		1,265,144,248.16	888,432,516.67
Non-current assets:			
Loans and payments on behalf			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term receivables	5.7	110,000,000.00	
Long-term equity investments			
Investment properties			
Fixed assets	5.8	64,839,425.74	56,948,964.90
Construction in progress			
Project materials			
Disposal of fixed assets			
Productive biological assets			
Oil and natural gas assets			
Intangible assets	5.9	11,271,824.51	18,393,474.63
Development costs	5.10	3,813,991.29	
Goodwill	5.11	159,065,937.59	160,065,937.59
Long-term deferred expenses	5.12	1,055,417.06	1,405,736.91
Deferred tax assets	5.13	1,418,280.87	826,968.81
Other non-current assets			
Total non-current assets		351,464,877.06	237,641,082.84
Total assets		1,616,609,125.22	1,126,073,599.51

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Consolidated Statement of financial position (Continued)

	Note	As at December 31, 2014	As at December 31, 2013
Current liabilities:			
Short-term loans	5.14	197,319,748.58	205,916,597.98
Borrowings from central bank			
Deposits from customers and inter-banks			
Borrowings from banks and other financial institutions			
Financial liabilities measured at fair value through profit and loss			
Derivative financial liabilities			
Notes payable	5.15		5,150,000.00
Accounts payable	5.16	223,440,220.11	264,854,992.70
Advances from customers	5.17	36,914,639.72	24,027,744.95
Employee benefits payable	5.18	220,021.32	1,863,185.47
Financial assets sold for repurchase			
Handling charges and commissions payable			
Taxes and surcharges payable	5.19	-8,273,390.74	-3,200,046.81
Interest payable	5.20	13,687,367.82	
Dividends payable	5.21	43,000,000.00	113,000,000.00
Other payables	5.22	72,751,505.03	69,235,148.07
Reinsurance accounts payable			
Provision for insurance contracts			
Acting trading securities			
Acting underwriting securities			
Classified as liabilities held for sale			
Non-current liabilities maturing within one year			
Other current liabilities			
Total current liabilities		579,060,111.84	680,847,622.36
Non-current liabilities:			
Long-term borrowings			
Bonds payable	5.23	988,062,220.35	
Long-term payables	5.24	13,000,000.00	
Specific items payable			
Estimated liabilities			
Deferred income	5.25	1,632,001.22	407,928.88
Deferred tax liabilities	5.14	372,741.54	582,190.11
Other non-current liabilities			
Total non-current liabilities		1,003,066,963.11	990,118.99
Total liabilities		1,582,127,074.95	681,837,741.35
Owners' equity (or shareholders' equity)			
Paid-in capital (or share capital)	5.26	106,101.70	106,101.70
Capital reserves	5.27	9,265,783.21	186,455,773.42
Less: Treasury stock			
Other comprehensive income	5.28	1,650,501.12	-2,030,754.52
Surplus reserves	5.29	15,780,781.51	14,628,491.48
Retained profit	5.30	7,678,882.73	245,076,246.08
Foreign currency translation differences			
Total owners' equity attributable to parent		34,482,050.27	444,235,858.16
Minority shareholders' interest (for consolidated financial statements)			
Total owners' equity (or shareholders' equity)		34,482,050.27	444,235,858.16
Total liabilities and owners' equity (or shareholders' equity)		1,616,609,125.22	1,126,073,599.51

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.**Statement of financial position****As at December 31, 2014****(All amounts are expressed in CNY unless otherwise stated.)**

	Note	As at December 31, 2014	As at December 31, 2013
Current assets:			
Cash and cash equivalents		37,130,884.41	4,525,659.31
Financial assets measured at fair value through profit and loss			
Notes receivable			
Accounts receivable	13.1	135,300,816.08	59,769,918.21
Advances to suppliers		9,680,824.56	2,519,729.66
Interest receivable			
Dividends receivable			
Other receivables	13.2	91,020,086.86	895,309.94
Inventories		131,522,506.70	6,467,297.64
Non-current assets maturing within one year			
Other current assets			
Total current assets		404,655,118.61	74,177,914.76
Non-current assets:			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term receivables		110,000,000.00	
Long-term equity investments	13.3	624,894,280.84	
Investment properties			
Fixed assets			
Construction in progress			
Project materials			
Disposal of fixed assets			
Productive biological assets			
Oil and natural gas assets			
Intangible assets			
Development costs			
Goodwill			
Long-term deferred expenses			
Deferred tax assets			
Other non-current assets			
Total non-current assets		734,894,280.84	
Total assets		1,139,549,399.45	74,177,914.76

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Statement of financial position (Continued)

As at December 31, 2014

(All amounts are expressed in CNY unless otherwise stated.)

	Note	As at December 31, 2014	As at December 31, 2013
Current liabilities:			
Short-term loans			
Financial liabilities measured at fair value through profit and loss			
Notes payable			
Accounts payable		98,316,380.69	62,033,036.60
Advances from customers		3,821,858.56	1,104,851.26
Employee benefits payable			
Taxes and surcharges payable			
Interest payable		13,687,367.82	
Dividends payable			
Other payables		179,521.76	178,873.38
Non-current liabilities maturing within one year			
Other current liabilities			
Total current liabilities		116,005,128.83	63,316,761.24
Non-current liabilities:			
Long-term borrowings			
Bonds payable		988,062,220.35	
Long-term payables			
Specific items payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		988,062,220.35	
Total liabilities		1,104,067,349.18	63,316,761.24
Owners' equity (or shareholders' equity)			
Paid-in capital (or share capital)		106,101.70	106,101.70
Capital reserves		24,894,274.69	
Less: Treasury stock			
Other comprehensive income		1,650,501.12	-2,030,754.52
Surplus reserves			
Retained profit		8,831,172.76	12,785,806.34
Foreign currency translation differences			
Total owners' equity attributable to parent			
Minority shareholders' interest (for consolidated financial statements)			
Total owners' equity (or shareholders' equity)		35,482,050.27	10,861,153.52
Total liabilities and owners' equity (or shareholders' equity)		1,139,549,399.45	74,177,914.76

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Consolidated Statement of Comprehensive Income
For the Year Ended December 31, 2014
(All amounts are expressed in CNY unless otherwise stated.)

	Note	2014	2013
1. Revenue from operations	5.31	1,883,757,360.47	1,355,906,181.51
Including: operating income	5.31	1,883,757,360.47	1,355,906,181.51
Interest income			
Income from handing charges and commissions			
Less: Cost of operations	5.31	1,662,822,277.22	1,156,427,051.74
Interest expense			
Handing charges and commissions			
Surrender value			
Net amount of compensation payout			
Net amount withdrawn for insurance contract reserves			
Policy dividend payment			
Reinsurance costs			
Business taxes and surcharges	5.32	3,682,298.14	3,635,392.74
Selling and distribution expenses	5.33	17,600,334.50	14,889,079.19
General and administrative expenses	5.34	81,199,806.54	76,251,361.60
Financial expenses	5.35	25,766,615.27	4,497,848.28
Impairment of assets	5.36	5,536,198.76	1,834,468.43
Plus: Gain/(loss) on changes in fair value			
Investment income/(losses)			
Including: Investment income from associates and joint ventures			
2. Profit/(loss) from operations		87,149,830.04	98,370,979.53
Plus: Non-operating income	5.37	17,039,234.76	16,281,727.92
Including: Gain on disposal of non-current assets			
Less: Non-operating expenses	5.38	82.54	2,588.27
Including: Loss on disposal of non-current assets			
3. Profit/(loss) before tax		104,188,982.26	114,650,119.18
Less: Income tax expenses	5.39	17,624,045.79	18,830,356.83
4. Net profit/(loss)		86,564,936.47	95,819,762.35
Net profits attributable to the parent company owners		86,564,936.47	95,819,762.35
Minority shareholders' income (for consolidated financial statements)			
5. Other comprehensive income, net of tax		3,681,255.64	-341,729.22
Net comprehensive income after tax attributable to owners of parent company			
(1) Other comprehensive income can't be reclassified to gains and losses subsequently			
a. Changes in net liabilities or assets due to the re-measurement and redefinition of the benefit plan			
b. The shares in other comprehensive income of the investee that can't be reclassified to gains and losses under the equity method			
(2) Other comprehensive income to be reclassified to gains and losses subsequently		3,681,255.64	-341,729.22

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.

	Note	2014	2013
a. The shares in other comprehensive income of the investee that can be reclassified to gains and losses under the equity method			
b. Gains and losses from changes in fair value of available-for-sale financial assets			
c. Gains and losses from the reclassification of the held-to-maturity investment to held-for-sale financial assets			
d. The effective portion of the gains and losses from cash flow hedging			
e. Currency translation differences		3,681,255.64	-341,729.22
f. Others			
Net comprehensive income after tax attributable to minority shareholders			
6. Total comprehensive income		90,246,192.11	95,478,033.13
Total comprehensive income attributable to owners of the parent company		90,246,192.11	95,478,033.13
Total comprehensive income attributable to minority shareholders			
7. Earnings per share:			
(1) Basic earnings per share			
(2) Diluted earnings per share			

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

**Statement of Comprehensive Income
For the Year Ended December 31, 2014
(All amounts are expressed in CNY unless otherwise stated.)**

	Note	2014	2013
1. Revenue from operations	13.4	665,970,553.93	499,986,184.56
Less: Cost of operations	13.4	659,024,614.20	498,266,568.63
Business taxes and surcharges			
Selling and distribution expenses		78,202.52	70,356.95
General and administrative expenses		428,568.27	532,761.81
Financial expenses		10,421,045.67	71,382.18
Impairment of assets		-27,243.15	197,413.95
Plus: Gain/(loss) on changes in fair value			
Investment income/(losses)			
Including: Investment income from associates and joint ventures			
2. Profit/(loss) from operations		-3,954,633.58	847,701.04
Plus: Non-operating income			
Including: Gain on disposal of non-current assets			
Less: Non-operating expenses			
Including: Loss on disposal of non-current assets			
3. Profit/(loss) before tax		-3,954,633.58	847,701.04
Less: Income tax expenses			308,496.30
4. Net profit/(loss)		-3,954,633.58	539,204.74
Net profits attributable to the parent company owners			
Minority shareholders' income (for consolidated financial statements)			
5. Other comprehensive income, net of tax		3,681,255.64	-341,729.22
(1) Other comprehensive income can't be reclassified to gains and losses subsequently			
a. Changes in net liabilities or assets due to the re-measurement and redefinition of the benefit plan			
b. The shares in other comprehensive income of the investee that can't be reclassified to gains and losses under the equity method			
(2) Other comprehensive income to be reclassified to gains and losses subsequently		3,681,255.64	-341,729.22
a. The shares in other comprehensive income of the investee that can be reclassified to gains and losses under the equity method			
b. Gains and losses from changes in fair value of available-for-sale financial assets			
c. Gains and losses from the reclassification of the held-to-maturity investment to held-for-sale financial assets			
d. The effective portion of the gains and losses from cash flow hedging			
e. Currency translation differences		3,681,255.64	-341,729.22
f. Others			
6. Total comprehensive income		-273,377.94	197,475.52
7. Earnings per share:			
Basic earnings per share			
Diluted earnings per share			

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2014
(All amounts are expressed in CNY unless otherwise stated.)

Item	Note	2014	2013
1.Cash flows from operating activities			
Cash received from sale of goods and rendering of services		2,115,656,699.13	1,609,358,209.73
Net increase in customer bank deposits and placement from banks and other financial institutions			
Net increase in borrowings from the central bank			
Net increase in loans from other financial institutions			
Premiums received from original insurance contracts			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Net increase from disposal of financial assets held for trading			
Cash received from interest, handling charges and commissions			
Net increase in loans from banks and other financial institutions			
Net capital increase in repurchase business			
Refunds of taxes and surcharges		18,055,751.24	16,179,352.10
Cash received from other operating activities	5.41	5,096,217.56	20,900,406.53
Sub-total of cash inflows from operating activities		2,138,808,667.93	1,646,437,968.36
Cash paid for goods purchased and services received		2,060,072,591.06	1,452,558,006.17
Net increase in loans and advances to customers			
Net increase in deposits in central bank and other banks and financial institutions			
Cash paid for original insurance contract claims			
Cash paid for interest, handling charges and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		104,652,039.16	96,827,574.80
Cash paid for taxes and surcharges		47,407,564.26	57,161,380.50
Cash paid for other operating activities	5.41	39,363,382.69	45,630,923.87
Sub-total of cash outflows from operating activities		2,251,495,577.17	1,652,177,885.34
Net cash flows from operating activities		-112,686,909.24	-5,739,916.98
2.Cash flows from investing activities			
Cash received from disposal of investments			
Cash received from returns on investments			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities			
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		19,698,048.30	17,572,469.51
Cash paid for investments		600,000,000.00	
Net increase in pledge loans			
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities			
Sub-total of cash outflows from investing activities		619,698,048.30	17,572,469.51
Net cash flows from investing activities		-619,698,048.30	-17,572,469.51
3.Cash flows from financing activities			
Cash received from investors		100,000,000.00	
Including: cash received by subsidiaries from investments by minority shareholders			

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.

Item	Note	2014	2013
Cash received from borrowings		1,364,640,349.04	350,037,646.84
Cash received from bonds issue			
Cash received from other financing activities	5.41	6,000,000.00	
Sub-total of cash inflows from financing activities		1,470,640,349.04	350,037,646.84
Cash paid for debt repayments		536,822,006.94	301,844,968.36
Cash paid for distribution of dividends and profits or payment of interest		75,899,276.71	26,240,729.42
Including: dividends and profits paid to minority shareholders by subsidiaries			
Cash paid for other financing activities	5.41	27,081,269.56	
Sub-total of cash outflows from financing activities		639,802,553.21	328,085,697.78
Net cash flows from financing activities		830,837,795.83	21,951,949.06
4. Effect of fluctuation in foreign exchange rate on cash and cash equivalents		3,334,457.31	-139,995.60
5. Net increase in cash and cash equivalents		101,787,295.60	-1,500,433.03
Plus: cash and cash equivalents as at December 31, 2013		16,079,927.81	17,580,360.84
6. Balance of cash and cash equivalents at December 31, 2014		117,867,223.41	16,079,927.81

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.

Statement of Cash Flows For the Year Ended December 31, 2014 (All amounts are expressed in CNY unless otherwise stated.)

	Note	2014	2013
1. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		593,627,008.98	502,163,346.00
Receipts of tax refunds		254,056.54	
Other cash receipts relating to operating activities		3,360,359.53	385.27
Sub-total of cash inflows from operating activities		597,241,425.05	502,163,731.27
Cash payments for goods purchased and services received		755,338,391.21	502,403,123.78
Cash payments to and on behalf of employees			
Payments of all types of taxes and surcharges			308,496.30
Other cash payments relating to operating activities		621,907.64	750,551.95
Sub-total of cash outflows from operating activities		755,960,298.85	503,462,172.03
Net cash flows from operating activities		-158,718,873.80	-1,298,440.76
2. Cash flows from investing activities:			
Cash receipts from disposal and redemption of investments			
Cash receipts from returns on investments			
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets			
Net cash receipts from disposals of subsidiaries and other business units			
Other cash receipts relating to investing activities			
Sub-total of cash inflows from investing activities			
Cash payments to purchase or construct fixed assets, intangible assets and other long-term assets			
Cash payments to acquire investments		600,000,006.15	
Net cash payments for acquisitions of subsidiaries and other business units			
Other cash payments relating to investing activities			
Sub-total of cash outflows from investing activities		600,000,006.15	
Net cash flows from investing activities		-600,000,006.15	
3. Cash flows from financing activities:			
Cash receipts from investments			
Cash receipts from loans		995,444,932.47	
Cash receipts from issuance of bonds			
Other cash receipts relating to financing activities			
Sub-total of cash inflows from financing activities		995,444,932.47	
Cash repayments of borrowings		171,751,081.39	
Cash payments for distribution of dividends, profits, or interest expenses			
Other cash payments relating to financing activities		35,704,203.41	
Sub-total of cash outflows from financing activities		207,455,284.80	
Net cash flows from financing activities		787,989,647.67	
4. Effect of foreign exchange rate changes on cash and cash equivalents		3,334,457.38	-139,995.60
5. Net increase in cash and cash equivalents		32,605,225.10	-1,438,436.36
Plus: Cash and cash equivalents as at December 31, 2013		4,525,659.31	5,964,095.67
6. Cash and cash equivalents as at December 31, 2014		37,130,884.41	4,525,659.31

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.**Consolidated Statement of Changes in Equity****For the Year Ended December 31, 2014****(All amounts are expressed in CNY unless otherwise stated.)**

Item	2014												
	Equity attributable to parent company												Total owners' equity (or shareholders' equity)
	Paid-in capital (or share capital)	Preferred stocks	Perpetual bonds	Others	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General risk reserve	Retained profit	Equity attributable to minority shareholders	
1. Balance as at December 31, 2013	106,101.70				186,455,773.42		-2,030,754.52		14,628,491.48		245,076,246.08		444,235,858.16
Plus: Adjustments for changes in accounting policies													
Adjustments for correction of accounting errors in prior periods													
Business combination under common control													
Others													
2. Balance as at January 1, 2014	106,101.70				186,455,773.42		-2,030,754.52		14,628,491.48		245,076,246.08		444,235,858.16
3. Increases/(decreases) in 2014					-177,189,990.21		3,681,255.64		1,152,290.03		-237,397,363.35		-409,753,807.89
(1) Total comprehensive income							3,681,255.64				86,564,936.47		90,246,192.11
(2) Capital contributions or withdrawals by owners					-177,189,990.21						-322,810,009.79		-500,000,000.00
(i) Capital contributions by owners													
(ii) Capital contribution by other equity instruments													
(iii) Share-based payments													

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.

Item	2014												
	Equity attributable to parent company											Equity attributable to minority shareholders	Total owners' equity (or shareholders' equity)
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General risk reserve	Retained profit		
Preferred stocks		Perpetual bonds	Others										
charged into owners' equity (or shareholders' equity)													
(iv) Others					-177,189,990.21						-322,810,009.79		-500,000,000.00
(3) Profit distribution									1,152,290.03		-1,152,290.03		
(i) Appropriation for surplus reserves									1,152,290.03		-1,152,290.03		
(ii) Appropriation for general risk reserve													
(iii) Profit distribution to investors (or shareholders)													
(iv) Others													
(4) Internal translation of owners' equity (or shareholders' equity)													
(i) Translation of capital reserves into paid-in capital (or share capital)													
(ii) Translation of surplus reserves into paid-in capital (or share capital)													
(iii) Surplus reserve covering losses													
(iv) Others													

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.

Item	2014												
	Equity attributable to parent company											Equity attributable to minority shareholders	Total owners' equity (or shareholders' equity)
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General risk reserve	Retained profit		
Preferred stocks		Perpetual bonds	Others										
(5) Special reserves													
(i) Provision during the current period													
(ii) Reduction during the current period													
(6) Others													
4. Balance as at December 31, 2014	106,101.70				9,265,783.21		1,650,501.12		15,780,781.51		7,678,882.73		34,482,050.27

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.
Consolidated Statement of Changes in Equity (Continued)
For the Year Ended December 31, 2014
(All amounts are expressed in CNY unless otherwise stated.)

(All amounts are expressed in CNY unless otherwise stated.)

Item	2013												
	Equity attributable to parent company											Equity attributable to minority shareholders	Total owners' equity (or shareholders' equity)
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General risk reserve	Retained profit		
	Preferred stocks	Perpetual bonds	Others										
1. Balance as at December 31, 2012	106,101.70												106,101.70
Plus: Adjustments for changes in accounting policies													
Adjustments for correction of accounting errors in prior periods													
Business combination under common control					186,455,773.42		-1,689,025.30		13,500,345.80		223,384,629.41		421,651,723.33
Others													
2. Balance as at January 1, 2013	106,101.70				186,455,773.42		-1,689,025.30		13,500,345.80		223,384,629.41		421,757,825.03
3. Increases/(decreases) in 2013							-341,729.22		1,128,145.68		21,691,616.67		22,478,033.13
(1) Total comprehensive income							-341,729.22				95,819,762.35		95,478,033.13
(2) Capital contributions or withdrawals by owners													
(i) Capital contributions by owners													
(ii) Capital contribution by other equity instruments													
(iii) Share-based payments													

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.

Item	2013												
	Equity attributable to parent company											Equity attributable to minority shareholders	Total owners' equity (or shareholders' equity)
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General risk reserve	Retained profit		
Preferred stocks		Perpetual bonds	Others										
charged into owners' equity (or shareholders' equity)													
(iv) Others													
(3) Profit distribution									1,128,145.68		-74,128,145.68		-73,000,000.00
(i) Appropriation for surplus reserves									1,128,145.68		-1,128,145.68		
(ii) Appropriation for general risk reserve													
(iii) Profit distribution to investors (or shareholders)											-73,000,000.00		-73,000,000.00
(iv) Others													
(4) Internal translation of owners' equity (or shareholders' equity)													
(i) Translation of capital reserves into paid-in capital (or share capital)													
(ii) Translation of surplus reserves into paid-in capital (or share capital)													
(iii) Surplus reserve covering losses													
(iv) Others													

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.

Item	2013												
	Equity attributable to parent company											Equity attributable to minority shareholders	Total owners' equity (or shareholders' equity)
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	General risk reserve	Retained profit		
Preferred stocks		Perpetual bonds	Others										
(5) Special reserves													
(i) Provision during the current period													
(ii) Reduction during the current period													
(6) Others													
4. Balance as at December 31, 2013	106,101.70				186,455,773.42		-2,030,754.52		14,628,491.48		245,076,246.08		444,235,858.16

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.**Statement of Changes in Equity****For the Year Ended December 31, 2014****(All amounts are expressed in CNY unless otherwise stated.)**

(All amounts are expressed in CNY unless otherwise stated.)

Item	2014										
	Paid-in capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained profit	Total owners' equity (or shareholders' equity)
	(or share capital)	Preferred stocks	Perpetual bonds	Others							
1. Balance as at December 31, 2013	106,101.70						-2,030,754.52			12,785,806.34	10,861,153.52
Plus: Adjustments for changes in accounting policies											
Adjustments for correction of accounting errors in prior periods											
Others											
2. Balance as at January 1, 2014	106,101.70						-2,030,754.52			12,785,806.34	10,861,153.52
3. Increases/(decreases) in 2014					24,894,274.69		3,681,255.64			-3,954,633.58	24,620,896.75
(1) Total comprehensive income							3,681,255.64			-3,954,633.58	-273,377.94
(2) Capital contributions or withdrawals by owners					24,894,274.69						24,894,274.69
(i) Capital contributions by owners											
(ii) Capital contribution by other equity instruments											
(iii) Share-based payments charged into owners' equity (or shareholders' equity)											
(iv) Others					24,894,274.69						24,894,274.69
(3) Profit distribution											
(i) Appropriation for surplus reserves											
(ii) Profit distribution to investors (or shareholders)											
(iii) Others											
(4) Internal translation of owners' equity (or shareholders' equity)											

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.

Item	2014										
	Paid-in capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained profit	Total owners' equity (or shareholders' equity)
	(or share capital)	Preferred stocks	Perpetual bonds	Others							
(i) Translation of capital reserves into paid-in capital (or share capital)											
(ii) Translation of surplus reserves into paid-in capital (or share capital)											
(iii) Surplus reserve covering losses											
(iv) Others											
(5) Special reserves											
(i) Provision during the current period											
(ii) Reduction during the current period											
(6) Others											
4. Balance as at December 31, 2014	106,101.70				24,894,274.69		1,650,501.12			8,831,172.76	35,482,050.27

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.**Statement of Changes in Equity (Continued)****For the Year Ended December 31, 2014****(All amounts are expressed in CNY unless otherwise stated.)**

(All amounts are expressed in CNY unless otherwise stated.)

Item	2013										
	Paid-in capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained profit	Total owners' equity (or shareholders' equity)
	(or share capital)	Preferred stocks	Perpetual bonds	Others							
1. Balance as at December 31, 2012	106,101.70						-1,689,025.30			12,246,601.60	10,663,678.00
Plus: Adjustments for changes in accounting policies											
Adjustments for correction of accounting errors in prior periods											
Others											
2. Balance as at January 1, 2013	106,101.70						-1,689,025.30			12,246,601.60	10,663,678.00
3. Increases/(decreases) in 2013							-341,729.22			539,204.74	197,475.52
(1) Total comprehensive income							-341,729.22			539,204.74	197,475.52
(2) Capital contributions or withdrawals by owners											
(i) Capital contributions by owners											
(ii) Capital contribution by other equity instruments											
(iii) Share-based payments charged into owners' equity (or shareholders' equity)											
(iv) Others											
(3) Profit distribution											
(i) Appropriation for surplus reserves											
(ii) Profit distribution to investors (or shareholders)											
(iii) Others											
(4) Internal translation of owners' equity (or shareholders' equity)											

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge:

Datang Telecom (H.K.) Limited.

Item	2013										
	Paid-in capital	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserve	Surplus reserves	Retained profit	Total owners' equity (or shareholders' equity)
	(or share capital)	Preferred stocks	Perpetual bonds	Others							
(i) Translation of capital reserves into paid-in capital (or share capital)											
(ii) Translation of surplus reserves into paid-in capital (or share capital)											
(iii) Surplus reserve covering losses											
(iv) Others											
(5) Special reserves											
(i) Provision during the current period											
(ii) Reduction during the current period											
(6) Others											
4. Balance as at December 31, 2013	106,101.70						-2,030,754.52			12,785,806.34	10,861,153.52

The accompanying notes form an integral part of these financial statements.

Legal Representative:

Chief Accountant:

Accountant in Charge: