

BALANCE SHEET

at 31 December 2002
 (Amounts in millions)

| | Note | 2002 RMB |
|---|------|----------------|
| ASSETS | | |
| Non-current assets | | |
| Interests in subsidiaries | 5 | 114,866 |
| Current assets | | |
| Prepayments and other current assets | 11 | 1,527 |
| Time deposits with maturity over three months | | 1,000 |
| Cash and cash equivalents | 12 | 9,570 |
| Total current assets | | 12,097 |
| Total assets | | 126,963 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accrued expenses and other payables | 15 | 570 |
| Income tax payable | | 1,385 |
| Total current liabilities | | 1,955 |
| Net current assets | | 10,142 |
| Total assets less current liabilities | | 125,008 |
| Shareholders' equity | | |
| Share capital | 18 | 75,614 |
| Reserves | 19 | 49,394 |
| Total shareholders' equity | | 125,008 |
| Total liabilities and shareholders' equity | | 126,963 |

Approved and authorised for issue by the Board of Directors on 24 April 2003.

Zhou Deqiang
 Chairman and Chief
 Executive Officer

Chang Xiaobing
 Executive Director
 and President

Wu Andi
 Executive Director,
 Executive Vice President
 and Chief Financial Officer

The notes on pages 71 to 109 form part of these financial statements.