

CONSOLIDATED BALANCE SHEET

at 31 December 2003

(Amounts in millions)

	Note	2003 RMB	2002 RMB
ASSETS			
Non-current assets			
Property, plant and equipment, net	3	235,211	220,761
Construction in progress	4	22,790	27,969
Lease prepayments		3,234	3,261
Interests in associates	6	513	464
Investments	7	205	271
Deferred tax assets	8	8,314	7,526
Other assets	17	9,834	9,659
Total non-current assets		280,101	269,911
Current assets			
Inventories	9	2,330	1,753
Accounts receivable, net	10	10,187	9,058
Prepayments and other current assets	11	2,440	2,852
Time deposits with maturity over three months		428	1,352
Cash and cash equivalents	12	10,119	18,685
Total current assets		25,504	33,700
Total assets		305,605	303,611
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term debt	13	40,097	40,336
Current portion of long-term debt	13	6,434	5,674
Accounts payable	14	20,129	21,728
Accrued expenses and other payables	15	15,989	16,297
Income tax payable		3,395	3,842
Current portion of finance lease obligations	16	19	67
Current portion of deferred revenues	17	10,603	11,604
Total current liabilities		96,666	99,548
Net current liabilities		(71,162)	(65,848)
Total assets less current liabilities		208,939	204,063
Non-current liabilities			
Long-term debt	13	49,665	17,594
Finance lease obligations	16	19	82
Deferred revenues	17	25,389	31,735
Deferred tax liabilities	8	1,325	618
Total non-current liabilities		76,398	50,029
Total liabilities		173,064	149,577
Minority interests		1,269	1,186
Balance carried forward		174,333	150,763

The notes on pages 73 to 121 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

at 31 December 2003

(Amounts in millions)

	Note	2003 RMB	2002 RMB
Balance brought forward		174,333	150,763
Shareholders' equity			
Share capital	18	75,614	75,614
Reserves	19	55,658	77,234
Total shareholders' equity		131,272	152,848
Total liabilities and shareholders' equity		305,605	303,611

Approved and authorised for issue by the Board of Directors on 17 March 2004.

Zhou Deqiang
Chairman and
Chief Executive Officer

Chang Xiaobing
Executive Director,
President and
Chief Operating Officer

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

The notes on pages 73 to 121 form part of these financial statements.