

BALANCE SHEET*at 31 December 2003**(Amounts in millions)*

	Note	2003 RMB	2002 RMB
ASSETS			
Non-current assets			
Property, plant and equipment, net	3	375	—
Construction in progress	4	77	—
Interests in subsidiaries	5	164,821	142,706
Other assets		46	—
Total non-current assets		165,319	142,706
Current assets			
Prepayments and other current assets	11	1,776	1,527
Time deposits with maturity over three months		—	1,000
Cash and cash equivalents	12	1,190	9,570
Total current assets		2,966	12,097
Total assets		168,285	154,803
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable	14	106	—
Accrued expenses and other payables	15	975	570
Income tax payable		932	1,385
Total current liabilities		2,013	1,955
Net current assets		953	10,142
Total assets less current liabilities		166,272	152,848
Non-current liabilities			
Long-term debt	13	35,000	—
Total liabilities		37,013	1,955

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

BALANCE SHEET

at 31 December 2003

(Amounts in millions)

	Note	2003 RMB	2002 RMB
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		168,285	154,803

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.