

CONSOLIDATED BALANCE SHEET (UNAUDITED)

at 30 June 2004
(Amounts in millions)

		30 June 2004 RMB	31 December 2003 RMB
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment, net		303,725	309,896
Construction in progress		39,522	31,617
Lease prepayments		4,555	4,485
Interests in associates		500	513
Investments		237	206
Deferred tax assets	9	10,662	10,523
Other assets		13,323	13,609
Total non-current assets		372,524	370,849
Current assets			
Inventories		3,227	3,253
Accounts receivable, net	4	15,186	12,951
Prepayments and other current assets		3,715	3,695
Time deposits with maturity over three months		350	473
Cash and cash equivalents	5	16,710	12,721
Total current assets		39,188	33,093
Total assets		411,712	403,942
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term debt	6	65,511	56,243
Current portion of long-term debt	7	14,970	13,957
Accounts payable	8	34,591	35,629
Accrued expenses and other payables		30,300	26,004
Income tax payable		3,664	3,395
Current portion of finance lease obligations		117	50
Current portion of deferred revenues		12,656	13,857
Total current liabilities		161,809	149,135
Net current liabilities		(122,621)	(116,042)
Total assets less current liabilities		249,903	254,807

The notes on pages 15 to 30 form part of these interim financial statements.

CONSOLIDATED BALANCE SHEET (UNAUDITED) — (CONTINUED)

at 30 June 2004
(Amounts in millions)

		30 June 2004 RMB	31 December 2003 RMB
	Note		
Non-current liabilities			
Long-term debt	7	72,491	68,632
Finance lease obligations		155	43
Deferred revenues		29,219	32,744
Deferred tax liabilities	9	1,575	1,325
Total non-current liabilities		103,440	102,744
Total liabilities		265,249	251,879
Minority interests		1,349	1,269
Shareholders' equity			
Share capital	10	80,932	75,614
Reserves		64,182	75,180
Total shareholders' equity		145,114	150,794
Total liabilities and shareholders' equity		411,712	403,942

The notes on pages 15 to 30 form part of these interim financial statements.

