

Unaudited Condensed Consolidated Balance Sheet

As of 30 June 2004

(Expressed in thousands of RMB)

	Note	Unaudited 30 June 2004	Audited 31 December 2003
Non-current assets:			
Property, plant and equipment, net	17	116,937,072	118,104,848
Goodwill	18	3,229,725	3,315,468
Other assets	19	4,787,817	5,849,430
Deferred tax assets	10	179,369	324,900
Total non-current assets		125,133,983	127,594,646
Current assets:			
Current portion of deferred tax assets	10	981,660	873,849
Amounts due from related parties	26(b)	543,600	263,414
Amounts due from domestic carriers	27(b)	180,825	184,613
Prepayments and other current assets	16	3,012,467	3,147,777
Inventories	15	2,023,730	2,169,354
Accounts receivable, net	14	6,077,879	5,471,547
Short-term bank deposits		663,891	912,794
Bank balances and cash		8,597,441	9,219,936
Total current assets		22,081,493	22,243,284
Current liabilities:			
Payables and accrued liabilities	20	16,242,271	17,098,420
Amounts due to Unicom Group	26(b)	903,437	432,047
Amounts due to related parties	26(b)	16,971	108,891
Amounts due to domestic carriers	27(b)	994,034	778,841
Current portion of obligations under finance leases	23, 27(b)	30,248	25,435
Current portion of long-term bank loans	22	10,499,374	7,197,877
Tax payable		990,241	623,857
Advances from customers		6,343,888	6,666,086
Short-term bank loans	21	9,001,807	10,975,199
Total current liabilities		45,022,271	43,906,653
Net current liabilities		(22,940,778)	(21,663,369)
Total assets less current liabilities		102,193,205	105,931,277

Unaudited Condensed Consolidated Balance Sheet (continued)

As of 30 June 2004

(Expressed in thousands of RMB)

	Note	Unaudited 30 June 2004	Audited 31 December 2003
Financed by:			
Shareholders' equity:			
Share capital	24	1,332,324	1,331,390
Share premium		52,539,302	52,483,266
Reserves	11(b)	1,719,331	1,719,331
Retained profits:			
2003 proposed final dividend	11(a)	—	1,255,317
Others		15,635,253	12,826,186
Shareholders' equity		71,226,210	69,615,490
Non-current liabilities:			
Long-term bank loans	22	30,866,987	36,212,791
Obligations under finance leases	23, 27(b)	98,437	99,719
Other long-term liabilities		1,571	3,277
Total non-current liabilities		30,966,995	36,315,787
		102,193,205	105,931,277