

CONSOLIDATED BALANCE SHEET ►►►

At 31 December 2004

(Amounts in millions)

	Note	2004 RMB	2003 RMB
ASSETS			
Non-current assets			
Property, plant and equipment, net	3	320,179	309,896
Construction in progress	4	29,450	31,617
Lease prepayments		4,830	4,485
Interests in associates	6	511	513
Investments	7	200	206
Deferred tax assets	8	10,805	10,523
Other assets	17	13,063	13,609
Total non-current assets		379,038	370,849
Current assets			
Inventories	9	2,767	3,253
Accounts receivable, net	10	13,921	12,951
Prepayments and other current assets	11	3,064	3,695
Time deposits with maturity over three months		315	473
Cash and cash equivalents	12	13,465	12,721
Total current assets		33,532	33,093
Total assets		412,570	403,942
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term debt	13	65,976	56,243
Current portion of long-term debt	13	11,842	13,957
Accounts payable	14	33,658	35,629
Accrued expenses and other payables	15	27,531	26,004
Income tax payable		1,192	3,395
Current portion of finance lease obligations	16	156	50
Current portion of deferred revenues	17	11,589	13,857
Total current liabilities		151,944	149,135
Net current liabilities		(118,412)	(116,042)
Total assets less current liabilities		260,626	254,807
Non-current liabilities			
Long-term debt	13	72,366	68,632
Finance lease obligations	16	157	43
Deferred revenues	17	25,182	32,744
Deferred tax liabilities	8	2,302	1,325
Total non-current liabilities		100,007	102,744
Total liabilities		251,951	251,879
Minority interests		1,413	1,269
Balance carried forward		253,364	253,148

The notes on pages 79 to 127 form part of these financial statements.

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At 31 December 2004
(Amounts in millions)

	Note	2004 RMB	2003 RMB
Balance brought forward		253,364	253,148
Shareholders' equity			
Share capital	18	80,932	75,614
Reserves	19	78,274	75,180
Total shareholders' equity		159,206	150,794
Total liabilities and shareholders' equity		412,570	403,942

Approved and authorised for issue by the Board of Directors on 31 March 2005.

Wang Xiaochu
*Chairman and Chief
Executive Officer*

Leng Rongquan
*Executive Director,
President and Chief
Operating Officer*

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

The notes on pages 79 to 127 form part of these financial statements.