

## CONSOLIDATED BALANCE SHEET

at 31 December 2003

(Amounts in millions)

	Note	2003 RMB	2002 RMB
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>280,101</b>	<b>269,911</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>25,504</b>	<b>33,700</b>
<b>Total assets</b>		<b>305,605</b>	<b>303,611</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>96,666</b>	<b>99,548</b>
<b>Net current liabilities</b>		<b>(71,162)</b>	<b>(65,848)</b>
<b>Total assets less current liabilities</b>		<b>208,939</b>	<b>204,063</b>
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<b>76,398</b>	<b>50,029</b>
<b>Total liabilities</b>		<b>173,064</b>	<b>149,577</b>
<b>Minority interests</b>		<b>1,269</b>	<b>1,186</b>
<b>Balance carried forward</b>		<b>174,333</b>	<b>150,763</b>

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

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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
<b>Total shareholders' equity</b>		<b>131,272</b>	<b>152,848</b>
<b>Total liabilities and shareholders' equity</b>		<b>305,605</b>	<b>303,611</b>

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.