

**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	375	—
Construction in progress	4	77	—
Interests in subsidiaries	5	164,821	142,706
Other assets		46	—
<b>Total non-current assets</b>		<b>165,319</b>	<b>142,706</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>2,966</b>	<b>12,097</b>
<b>Total assets</b>		<b>168,285</b>	<b>154,803</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable	14	106	—
Accrued expenses and other payables	15	975	570
Income tax payable		932	1,385
<b>Total current liabilities</b>		<b>2,013</b>	<b>1,955</b>
<b>Net current assets</b>		<b>953</b>	<b>10,142</b>
<b>Total assets less current liabilities</b>		<b>166,272</b>	<b>152,848</b>
<b>Non-current liabilities</b>			
Long-term debt	13	35,000	—
<b>Total liabilities</b>		<b>37,013</b>	<b>1,955</b>

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
<b>Shareholders' equity</b>			
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>168,285</b>	<b>154,803</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.