

## CONSOLIDATED BALANCE SHEET (UNAUDITED)

*at 30 June 2004  
(Amounts in millions)*

		30 June 2004 RMB	31 December 2003 RMB
	<i>Note</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>372,524</b>	<b>370,849</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>39,188</b>	<b>33,093</b>
<b>Total assets</b>		<b>411,712</b>	<b>403,942</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>161,809</b>	<b>149,135</b>
<b>Net current liabilities</b>		<b>(122,621)</b>	<b>(116,042)</b>
<b>Total assets less current liabilities</b>		<b>249,903</b>	<b>254,807</b>

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)

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

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