

# BALANCE SHEET

at 31 December 2003

|   | Note | 2003<br>RMB millions | 2002<br>RMB millions |
|---|------|----------------------|----------------------|
| <b>Assets</b>   |      |                      |                      |
| <b>Current assets</b>   |      |                      |                      |
| Cash at bank and in hand  | 5    | 6,581                | 8,428                |
| Bills receivable  | 6    | 1,282                | 1,478                |
| Trade accounts receivable   | 7    | 7,080                | 9,885                |
| Other receivables   | 8    | 24,861               | 23,661               |
| Advance payments  | 9    | 2,990                | 2,189                |
| Inventories   | 10   | 22,793               | 24,907               |
| <b>Total current assets</b>   |      | <b>65,587</b>        | <b>70,548</b>        |
| <b>Long-term equity investments (Including equity investment differences of RMB 395 million (2002: RMB 537 million))</b>                                    | 11   | <b>98,334</b>        | <b>91,501</b>        |
| <b>Fixed assets</b>   |      |                      |                      |
| Fixed assets, at cost   |      | 223,015              | 201,705              |
| Less: Accumulated depreciation  |      | 94,138               | 84,891               |
|   | 12   | 128,877              | 116,814              |
| Less: Provision for impairment loss on fixed assets   | 12   | 764                  | 391                  |
| Net book value of fixed assets  |      | 128,113              | 116,423              |
| Construction materials  | 13   | 263                  | 283                  |
| Construction in progress  | 14   | 19,858               | 15,394               |
| <b>Total fixed assets</b>   |      | <b>148,234</b>       | <b>132,100</b>       |
| <b>Intangible assets</b>  | 15   | <b>3,712</b>         | <b>3,659</b>         |
| <b>Deferred tax assets</b>  | 16   | <b>1,510</b>         | <b>108</b>           |
| <b>Total assets</b>   |      | <b>317,377</b>       | <b>297,916</b>       |
| <b>Liabilities and shareholders' funds</b>  |      |                      |                      |
| <b>Current liabilities</b>  |      |                      |                      |
| Short-term loans  | 17   | 9,787                | 14,828               |
| Bills payable   | 18   | 18,006               | 23,055               |
| Trade accounts payable  | 19   | 18,117               | 18,310               |
| Receipts in advance   | 20   | 4,077                | 2,008                |
| Wages payable   |      | 643                  | 443                  |
| Staff welfare payable   |      | 583                  | 450                  |
| Taxes payable   | 21   | 2,975                | 1,094                |
| Other payables  | 22   | 380                  | 302                  |
| Other creditors   | 23   | 26,102               | 17,134               |
| Accrued expenses  | 24   | 133                  | 221                  |
| Current portion of long-term liabilities  | 25   | 4,428                | 5,996                |
| <b>Total current liabilities</b>  |      | <b>85,231</b>        | <b>83,841</b>        |
| <b>Long-term liabilities</b>  |      |                      |                      |
| Long-term loans   | 26   | 68,723               | 61,890               |
| Other long-term payables  | 28   | 461                  | 411                  |
| <b>Total long-term liabilities</b>  |      | <b>69,184</b>        | <b>62,301</b>        |
| <b>Deferred tax liabilities</b>   | 16   | <b>16</b>            | <b>57</b>            |
| <b>Total liabilities</b>  |      | <b>154,431</b>       | <b>146,199</b>       |
| <b>Shareholders' funds</b>  |      |                      |                      |
| Share capital   | 29   | 86,702               | 86,702               |
| Capital reserve   | 30   | 36,852               | 36,588               |
| Surplus reserves (Including statutory public welfare fund of RMB 6,330 million (2002: RMB 4,429 million))   | 31   | 19,660               | 15,858               |
| Undistributed profits (Including dividend declared after the balance sheet date in respect of the year 2003 of RMB 5,202 million (2002: RMB 5,202 million)) | 2&39 | 19,732               | 12,569               |
| <b>Total shareholders' funds</b>  |      | <b>162,946</b>       | <b>151,717</b>       |
| <b>Total liabilities and shareholders' funds</b>  |      | <b>317,377</b>       | <b>297,916</b>       |

Approved by the Board of Directors on 26 March 2004.

**Chen Tonghai**  
Chairman  
(Authorised representative)

**Wang Jiming**  
Vice Chairman and President

**Zhang Jiaren**  
Director, Senior Vice President  
and Chief Financial Officer

**Liu Yun**  
Head of  
Accounting  
Division

The notes on pages 96 to 125 form part of these financial statements.