

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in RMB millions)

| | Note | As at 31 December | |
|---|------|-------------------|----------------|
| | | 2019 | 2018 |
| | | | Note |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 367,401 | 384,475 |
| Lease prepayments | 16 | — | 9,290 |
| Right-of-use assets | 17 | 43,073 | — |
| Goodwill | 18 | 2,771 | 2,771 |
| Interest in associates | 20 | 36,445 | 35,758 |
| Interest in joint ventures | 21 | 4,771 | 3,966 |
| Deferred income tax assets | 13 | 1,226 | 3,401 |
| Contract assets | 22 | 595 | 570 |
| Contract costs | 23 | 4,923 | 5,632 |
| Financial assets at fair value through other comprehensive income | 24 | 3,323 | 3,903 |
| Financial assets at fair value through profit and loss | | 568 | — |
| Other assets | 25 | 13,808 | 14,645 |
| | | 478,904 | 464,411 |
| Current assets | | | |
| Inventories and consumables | 26 | 2,359 | 2,388 |
| Contract assets | 22 | 1,308 | 1,254 |
| Accounts receivable | 27 | 17,233 | 14,433 |
| Prepayments and other current assets | 28 | 12,456 | 11,106 |
| Amounts due from ultimate holding company | 46 | 7,688 | 7,431 |
| Amounts due from related parties | 46 | 240 | 935 |
| Amounts due from domestic carriers | | 3,448 | 3,812 |
| Financial assets at fair value through profit and loss | | 202 | 770 |
| Short-term bank deposits and restricted deposits | 29 | 3,716 | 3,720 |
| Cash and cash equivalents | 30 | 34,945 | 30,060 |
| | | 83,595 | 75,909 |
| Total assets | | 562,499 | 540,320 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in RMB millions)

| | Note | As at 31 December | |
|--|------|-------------------|----------------|
| | | 2019 | 2018 |
| | | | <i>Note</i> |
| EQUITY | | | |
| Equity attributable to equity shareholders of the Company | | | |
| Share capital | 31 | 254,056 | 254,056 |
| Reserves | 32 | (18,803) | (20,154) |
| Retained profits | | | |
| — Proposed final dividend | 33 | 4,529 | 4,100 |
| — Others | | 80,265 | 75,920 |
| | | 320,047 | 313,922 |
| Non-controlling interests | | 708 | 364 |
| Total equity | | 320,755 | 314,286 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term bank loans | 34 | 2,869 | 3,173 |
| Promissory notes | 35 | 998 | — |
| Corporate bonds | 36 | 2,998 | 999 |
| Lease liabilities | 37 | 21,535 | — |
| Deferred income tax liabilities | 13 | 87 | 111 |
| Deferred revenue | 38 | 4,851 | 3,609 |
| Amounts due to related parties | 46 | 3,042 | 3,042 |
| Other obligations | 39 | 174 | 190 |
| | | 36,554 | 11,124 |

| | Note | As at 31 December | |
|--|------|-------------------|-----------|
| | | 2019 | 2018 |
| | | | Note |
| Current liabilities | | | |
| Short-term bank loans | 40 | 5,564 | 15,085 |
| Commercial papers | 41 | 8,995 | — |
| Current portion of long-term bank loans | 34 | 437 | 441 |
| Current portion of corporate bonds | 36 | — | 16,994 |
| Lease liabilities | 37 | 10,790 | — |
| Accounts payable and accrued liabilities | 42 | 121,564 | 122,458 |
| Taxes payable | | 1,534 | 911 |
| Amounts due to ultimate holding company | 46 | 1,779 | 1,214 |
| Amounts due to related parties | 46 | 7,851 | 8,843 |
| Amounts due to domestic carriers | | 2,174 | 2,144 |
| Dividend payable | | 920 | 920 |
| Current portion of deferred revenue | 38 | — | 78 |
| Current portion of other obligations | 39 | 2,604 | 2,844 |
| Contract liabilities | 22 | 40,648 | 42,650 |
| Advances from customers | | 330 | 328 |
| | | 205,190 | 214,910 |
| Total liabilities | | 241,744 | 226,034 |
| Total equity and liabilities | | 562,499 | 540,320 |
| Net current liabilities | | (121,595) | (139,001) |
| Total assets less current liabilities | | 357,309 | 325,410 |

Note: The Group has initially applied IFRS/HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See Note 2.

The notes on pages 102 to 197 are an integral part of these consolidated financial statements.

Approved and authorised for issue by the Board of Directors on 23 March 2020 and signed on behalf of the Board by:

Wang Xiaochu
Director

Zhu Kebing
Director