

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018  
(All amounts in RMB millions)

|   | Note | 30 June<br>2018 | 31 December<br>2017 |
|---|------|-----------------|---------------------|
| <b>ASSETS</b>   |      |                 |                     |
| <b>Non-current assets</b>   |      |                 |                     |
| Property, plant and equipment                                     | 14   | 389,649         | 416,596             |
| Lease prepayments   |      | 9,224           | 9,313               |
| Goodwill  |      | 2,771           | 2,771               |
| Interest in associates  |      | 33,787          | 33,233              |
| Interest in joint ventures  |      | 2,659           | 2,368               |
| Deferred income tax assets  | 12   | 4,160           | 5,973               |
| Contract assets   |      | 472             | —                   |
| Contract costs  |      | 5,937           | —                   |
| Financial assets at fair value through other comprehensive income | 15   | 3,780           | 4,286               |
| Other assets  | 16   | 14,949          | 20,721              |
|   |      | <b>467,388</b>  | 495,261             |
| <b>Current assets</b>   |      |                 |                     |
| Inventories and consumables                                       | 17   | 1,939           | 2,239               |
| Contract assets   |      | 1,505           | —                   |
| Accounts receivable   | 18   | 17,011          | 13,964              |
| Prepayments and other current assets                              | 19   | 10,186          | 13,801              |
| Amounts due from ultimate holding company                         | 32   | 2,985           | 239                 |
| Amounts due from related parties                                  | 32   | 3,184           | 3,274               |
| Amounts due from domestic carriers                                |      | 4,608           | 4,683               |
| Financial assets at fair value through profit and loss            |      | 695             | 160                 |
| Short-term bank deposits and restricted deposits                  |      | 3,411           | 5,526               |
| Cash and cash equivalents   |      | 37,993          | 32,836              |
|   |      | <b>83,517</b>   | 76,722              |
| <b>Total assets</b>   |      | <b>550,905</b>  | 571,983             |
| <b>EQUITY</b>   |      |                 |                     |
| <b>Equity attributable to equity shareholders of the Company</b>  |      |                 |                     |
| Share capital   | 20   | 254,056         | 254,056             |
| Reserves  |      | (20,999)        | (20,912)            |
| Retained profits  |      |                 |                     |
| — Proposed 2017 final dividend                                    | 21   | —               | 1,591               |
| — Others  |      | 76,034          | 69,315              |
|   |      | <b>309,091</b>  | 304,050             |
| <b>Non-controlling interests</b>                                  |      | <b>339</b>      | 297                 |
| <b>Total equity</b>   |      | <b>309,430</b>  | 304,347             |

|  | Note | 30 June<br>2018  | 31 December<br>2017 |
|--|------|------------------|---------------------|
| <b>LIABILITIES</b>                           |      |                  |                     |
| <b>Non-current liabilities</b>               |      |                  |                     |
| Long-term bank loans                         | 22   | 3,322            | 3,473               |
| Corporate bonds                              | 24   | 10,992           | 17,981              |
| Deferred income tax liabilities              | 12   | 107              | 108                 |
| Contract liabilities                         |      | 1,153            | —                   |
| Deferred revenue                             |      | 2,240            | 3,020               |
| Other obligations                            |      | 332              | 432                 |
|  |      | <b>18,146</b>    | 25,014              |
| <b>Current liabilities</b>                   |      |                  |                     |
| Short-term bank loans                        | 25   | 18,506           | 22,500              |
| Commercial papers                            | 26   | —                | 8,991               |
| Current portion of long-term bank loans      | 22   | 421              | 410                 |
| Current portion of promissory notes          | 23   | 9,987            | 17,960              |
| Accounts payable and accrued liabilities     | 27   | 119,471          | 125,260             |
| Taxes payable                                |      | 1,030            | 1,121               |
| Amounts due to ultimate holding company      | 32   | 3,567            | 2,176               |
| Amounts due to related parties               | 32   | 11,667           | 8,126               |
| Amounts due to domestic carriers             |      | 2,505            | 2,538               |
| Dividend payable                             | 21   | 920              | 920                 |
| Current portion of corporate bonds           |      | 6,995            | —                   |
| Current portion of deferred revenue          |      | 23               | 350                 |
| Current portion of other obligations         |      | 2,874            | 2,987               |
| Contract liabilities                         |      | 45,363           | —                   |
| Advances from customers                      |      | —                | 49,283              |
|  |      | <b>223,329</b>   | 242,622             |
| <b>Total liabilities</b>                     |      | <b>241,475</b>   | 267,636             |
| <b>Total equity and liabilities</b>          |      | <b>550,905</b>   | 571,983             |
| <b>Net current liabilities</b>               |      | <b>(139,812)</b> | (165,900)           |
| <b>Total assets less current liabilities</b> |      | <b>327,576</b>   | 329,361             |

Note: The Group has initially applied IFRS/HKFRS 15 and IFRS/HKFRS 9 (2014) at 1 January 2018. Under the transition method chosen, comparative information is not restated. See Note 3.

The notes on pages 16 to 52 are an integral part of this unaudited condensed consolidated interim financial information.