

## Balance Sheet

At 31 December 2005  
(Prepared under International Financial Reporting Standards)  
(Expressed in Renminbi)



	Note	2005 RMB million	2004 RMB million
<b>Non-current assets</b>			
Property, plant and equipment, net	18	45,054	39,254
Construction in progress	19	569	232
Lease prepayments		115	128
Interest in subsidiaries	20	2,091	2,149
Investments in associates	21	140	296
Investments in jointly controlled entities	22	666	636
Other investments	23	170	167
Lease and equipment deposits		6,290	4,674
Deferred tax assets	24	74	51
Other assets	25	269	305
		<b>55,438</b>	47,892
<b>Current assets</b>			
Short-term investments	23	–	502
Inventories	26	1,096	999
Trade receivables	27	1,156	1,035
Other receivables	28	862	495
Prepaid expenses and other current assets		409	289
Amounts due from related companies	33	84	–
Cash and cash equivalents	29	2,002	2,302
		<b>5,609</b>	5,622
<b>Current liabilities</b>			
Bank and other loans	30	14,664	10,161
Obligations under finance leases	31	3,373	2,144
Trade and bills payables	32	3,472	1,456
Sales in advance of carriage		1,154	806
Amounts due to related companies	33	64	2,382
Accrued expenses	34	3,517	3,733
Other liabilities	35	2,893	2,467
		<b>29,137</b>	23,149
Net current liabilities		<b>(23,528)</b>	(17,527)
Total assets less current liabilities		<b>31,910</b>	30,365

The notes on pages 47 to 101 form part of these financial statements.

## Balance Sheet (Cont'd)

At 31 December 2005  
(Prepared under International Financial Reporting Standards)  
(Expressed in Renminbi)

	Note	2005 RMB million	2004 RMB million
<b>Non-current liabilities and deferred items</b>			
Bank and other loans	30	<b>10,464</b>	10,540
Obligations under finance leases	31	<b>12,459</b>	9,599
Provision for major overhauls	36	<b>186</b>	186
Deferred credits		<b>496</b>	60
		<b>23,605</b>	20,385
<b>Net assets</b>			
		<b>8,305</b>	9,980
<b>Capital and reserves</b>			
Share capital	37	<b>4,374</b>	4,374
Reserves	38	<b>3,931</b>	5,606
<b>Total equity</b>			
		<b>8,305</b>	9,980

Approved and authorised for issue by the board of directors on 19 April 2006.

**Liu Shao Yong**  
*Director*

**Si Xian Min**  
*Director*

**Xu Jie Bo**  
*Director*