

## Consolidated Balance Sheet

At 31 December 2006  
(Prepared in accordance with International Financial Reporting Standards)  
(Expressed in Renminbi)

	Note	2006 RMB million	2005 RMB million
<b>Non-current assets</b>			
Property, plant and equipment, net	18	56,347	54,266
Construction in progress	19	951	674
Lease prepayments		441	333
Interest in associates	21	149	142
Interest in jointly controlled entities	22	870	805
Other investments in equity securities	23	330	320
Lease and equipment deposits		9,458	7,265
Deferred tax assets	24	95	74
Other assets	25	260	302
		<b>68,901</b>	64,181
<b>Current assets</b>			
Inventories	26	1,315	1,382
Trade receivables	27	1,512	1,518
Other receivables	28	879	956
Prepaid expenses and other current assets		585	380
Amounts due from related companies	33	128	84
Cash and cash equivalents	29	2,264	2,901
		<b>6,683</b>	7,221
<b>Current liabilities</b>			
Financial liabilities	44(d)	26	–
Bank and other loans	30	23,822	16,223
Obligations under finance leases	31	3,091	3,373
Trade and bills payables	32	1,909	3,929
Sales in advance of carriage		1,436	1,413
Taxes payable		126	28
Amounts due to related companies	33	254	116
Accrued expenses	34	4,942	4,250
Other liabilities	35	3,257	3,796
		<b>38,863</b>	33,128
Net current liabilities		<b>(32,180)</b>	(25,907)
Total assets less current liabilities		<b>36,721</b>	38,274

## Consolidated Balance Sheet (Cont'd)

At 31 December 2006  
(Prepared in accordance with International Financial Reporting Standards)  
(Expressed in Renminbi)

	Note	2006 RMB million	2005 RMB million
<b>Non-current liabilities and deferred items</b>			
Bank and other loans	30	10,018	12,740
Obligations under finance leases	31	12,307	12,459
Provision for major overhauls	36	805	301
Provision for early retirement benefits	37	306	–
Deferred credits		792	496
Deferred tax liabilities	24	372	342
		<b>24,600</b>	26,338
<b>Net assets</b>			
		<b>12,121</b>	11,936
<b>Capital and reserves</b>			
Share capital	38	4,374	4,374
Reserves	39	5,814	5,626
<b>Total equity attributable to equity shareholders of the Company</b>			
		<b>10,188</b>	10,000
<b>Minority interests</b>			
		<b>1,933</b>	1,936
<b>Total equity</b>			
		<b>12,121</b>	11,936

Approved and authorised for issue by the board of directors on 16 April 2007.

**Liu Shao Yong**  
Director

**Si Xian Min**  
Director

**Xu Jie Bo**  
Director

The notes on pages 50 to 109 form part of these financial statements.