

Balance Sheet

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

	Note	2006 RMB million	2005 RMB million
Non-current assets			
Property, plant and equipment, net	18	46,650	45,054
Construction in progress	19	804	569
Lease prepayments		245	115
Interest in subsidiaries	20	1,775	2,091
Investments in associates	21	122	140
Investments in jointly controlled entities	22	654	666
Other investments in equity securities	23	183	170
Lease and equipment deposits		8,410	6,290
Deferred tax assets	24	95	74
Other assets	25	214	269
		59,152	55,438
Current assets			
Inventories	26	1,089	1,096
Trade receivables	27	1,200	1,156
Other receivables	28	720	862
Prepaid expenses and other current assets		480	409
Amounts due from related companies	33	128	84
Cash and cash equivalents	29	1,786	2,002
		5,403	5,609
Current liabilities			
Financial liabilities	44(d)	26	–
Bank and other loans	30	22,218	14,664
Obligations under finance leases	31	3,091	3,373
Trade and bills payables	32	1,645	3,472
Sales in advance of carriage		1,246	1,154
Taxes payables		77	–
Amounts due to related companies	33	234	64
Accrued expenses	34	4,023	3,517
Other liabilities	35	2,450	2,893
		35,010	29,137
Net current liabilities		(29,607)	(23,528)
Total assets less current liabilities		29,545	31,910

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
Non-current liabilities and deferred items			
Bank and other loans	30	7,371	10,464
Obligations under finance leases	31	12,307	12,459
Provision for major overhauls	36	556	186
Provision for early retirement benefits	37	295	–
Deferred credits		792	496
		21,321	23,605
Net assets			
		8,224	8,305
Capital and reserves			
Share capital	38	4,374	4,374
Reserves	39	3,850	3,931
Total equity			
		8,224	8,305

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.