

**BALANCE SHEET**

31 December 2004

	Notes	2004 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	16	41,908,428
Lease prepayments		919,871
Interests in subsidiaries	17	176,929
Interests in joint ventures	18	1,392,388
Interests in associates	19	780,837
Advance payments for aircraft and related equipment		442,071
Due from CNAHC	20	631,813
Deposits for aircraft under operating leases		55,831
Other investments	21	816
Deferred tax assets	22	658,000
		46,966,984
CURRENT ASSETS		
Trade receivables	23	2,197,293
Inventories	24	468,930
Prepayments, deposits and other receivables	25	2,847,552
Pledged deposits	26	80,519
Cash and cash equivalents	26	8,421,859
Due from other CNAHC group companies	28	8,801
		14,024,954
TOTAL ASSETS		60,991,938
CURRENT LIABILITIES		
Trade payables	29	(3,819,353)
Bills payable	30	(362,033)
Other payables and accruals	31	(3,387,870)
Provision for major overhauls	32	(28,130)
Air traffic liabilities		(1,087,838)
Tax payable		(151,533)
Obligations under finance leases	33	(1,705,146)
Bank and other loans	34	(8,255,695)
Due to shareholders	27	(2,240,213)
Due to other CNAHC group companies	28	(12,163)
		(21,049,974)



BALANCE SHEET

31 December 2004

	Notes	2004 RMB'000
NET CURRENT LIABILITIES		(7,025,020)
TOTAL ASSETS LESS CURRENT LIABILITIES		39,941,964
NON-CURRENT LIABILITIES		
Obligations under finance leases	33	(10,576,241)
Bank and other loans	34	(12,896,622)
Long-term payables	35	(437,577)
Deferred income	36	(1,102,853)
Provision for major overhauls	32	(373,242)
Provision for early retirement benefits		(195,188)
		(25,581,723)
NET ASSETS		14,360,241
Represented by:		
Issued share capital	37	9,050,618
Reserves	38	5,309,623
TOTAL EQUITY		14,360,241

Ma Xulun
Director

Fan Cheng
Director