

Consolidated Balance Sheet

31 December 2005

| | Notes | 2005 RMB'000 | 2004 RMB'000 |
|--|-------|---------------------|-----------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 15 | 47,190,728 | 43,441,637 |
| Lease prepayments | 16 | 1,072,066 | 933,898 |
| Interests in associates | 19 | 3,793,957 | 4,001,521 |
| Advance payments for aircraft and related equipment | | 7,329,322 | 2,825,612 |
| Due from CNAHC | 20 | 531,813 | 631,813 |
| Deposits for aircraft under operating leases | | 222,945 | 137,583 |
| Available-for-sale investments | 21 | 22,266 | 21,666 |
| Deferred tax assets | 22 | 498,371 | 776,084 |
| | | 60,661,468 | 52,769,814 |
| CURRENT ASSETS | | | |
| Financial assets | 44(c) | 127,659 | - |
| Trade receivables | 23 | 2,764,475 | 2,364,816 |
| Inventories | 24 | 851,315 | 743,288 |
| Prepayments, deposits and other receivables | 25 | 762,435 | 915,130 |
| Pledged deposits | 26 | 176,575 | 117,231 |
| Non-pledged deposits with maturity of more than three months when acquired | 26 | 97,375 | 320,850 |
| Cash and cash equivalents | 26 | 2,248,386 | 9,413,224 |
| Due from CNAHC | 34 | 474,216 | - |
| Due from other CNAHC group companies | 27 | 38,039 | 44,916 |
| | | 7,540,475 | 13,919,455 |
| TOTAL ASSETS | | 68,201,943 | 66,689,269 |
| CURRENT LIABILITIES | | | |
| Financial liabilities | 44(c) | (1,791) | - |
| Trade payables | 28 | (4,601,364) | (4,443,608) |
| Bills payable | 29 | (327,937) | (362,033) |
| Other payables and accruals | 30 | (4,168,435) | (3,920,287) |
| Provision for major overhauls | 31 | (18,721) | (28,130) |
| Air traffic liabilities | | (1,476,619) | (1,215,770) |
| Tax payable | | (421,077) | (186,055) |
| Obligations under finance leases | 32 | (1,954,873) | (1,705,146) |
| Bank and other loans | 33 | (10,401,170) | (8,806,051) |
| Due to CNAHC and CNACG | 34 | (133,680) | (2,256,117) |
| Due to other CNAHC group companies | 27 | (40,471) | (49,617) |
| | | (23,546,138) | (22,972,814) |
| NET CURRENT LIABILITIES | | (16,005,663) | (9,053,359) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 44,655,805 | 43,716,455 |

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|--|--------------|-------------------------------|------------------------|
| NON-CURRENT LIABILITIES | | | |
| Obligations under finance leases | 32 | (8,078,671) | (10,576,241) |
| Bank and other loans | 33 | (12,822,879) | (12,896,622) |
| Long term payables | 35 | (352,880) | (446,311) |
| Deferred income | 36 | (1,025,910) | (1,102,853) |
| Provision for major overhauls | 31 | (635,718) | (470,698) |
| Provision for early retirement benefits obligations | | (189,141) | (195,188) |
| | | (23,105,199) | (25,687,913) |
| NET ASSETS | | | |
| | | 21,550,606 | 18,028,542 |
| Represented by: | | | |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | | | |
| Issued share capital | 37 | 9,433,211 | 9,050,618 |
| Reserves | 38 | 10,659,030 | 7,497,637 |
| | | 20,092,241 | 16,548,255 |
| MINORITY INTERESTS | | | |
| | | 1,458,365 | 1,480,287 |
| TOTAL EQUITY | | | |
| | | 21,550,606 | 18,028,542 |

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Ma Xulun
Director

Fan Cheng
Director