

# Consolidated Balance Sheet

31 December 2006

(Prepared under PRC Accounting Standards and Regulations)

	2006 RMB'000	2005 RMB'000
<b>ASSETS</b>		
Current assets:		
Cash and bank balances	5,517,757	2,744,162
Accounts receivable	3,233,146	3,063,390
Other receivables	984,679	869,164
Prepayments	119,970	36,284
Interest receivables	–	1,016
Subsidy receivables	165,282	107,460
Inventories	1,253,973	1,090,691
Deferred expenses	183,615	114,730
Total current assets	<b>11,458,422</b>	8,026,897
Long-term investments:		
Long-term equity investments	8,929,482	2,316,815
Equity investment differences	2,079,808	869,020
Long-term debt investments	47,318	48,994
Total long-term investments	<b>11,056,608</b>	3,234,829
Less: Provision for impairment in long-term investments	<b>15,562</b>	–
Net carrying amount of long-term investments	<b>11,041,046</b>	3,234,829
Fixed assets:		
Fixed assets, at cost	65,171,682	54,173,359
Less: Accumulated depreciation	10,563,041	6,247,726
Net book value of fixed assets	<b>54,608,641</b>	47,925,633
Less: Provision for impairment in fixed assets	<b>132</b>	60
Net book value of fixed assets after impairment	<b>54,608,509</b>	47,925,573
Construction-in-progress	<b>9,457,000</b>	9,368,638
Total fixed assets	<b>64,065,509</b>	57,294,211
Intangible assets	<b>552,460</b>	506,023
Total assets	<b>87,117,437</b>	69,061,960

	2006 RMB'000	2005 RMB'000
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term loans	<b>(8,509,375)</b>	(7,477,498)
Bills payable	<b>(690,545)</b>	(327,938)
Accounts payable	<b>(5,582,356)</b>	(5,003,444)
Domestic air traffic liabilities	<b>(378,624)</b>	(353,822)
International air traffic liabilities	<b>(1,151,311)</b>	(1,123,702)
Receipts in advance	<b>(55,197)</b>	(68,317)
Welfare payable	<b>(150,549)</b>	(217,804)
Taxes payable	<b>(1,220,888)</b>	(861,806)
Other creditors	<b>(2,051,649)</b>	(2,371,333)
Dividend payable	<b>(14,136)</b>	-
Other payables	<b>(398,552)</b>	(365,419)
Accrued expenses	<b>(919,896)</b>	(810,299)
Infrastructure Development Fund payable	<b>(122,086)</b>	(120,595)
Current portion of long-term liabilities repayable within one year	<b>(5,315,360)</b>	(5,133,430)
<b>Total current liabilities</b>	<b>(26,560,524)</b>	(24,235,407)
Long-term liabilities:		
Long-term loans	<b>(10,251,206)</b>	(10,182,992)
Corporate bonds	<b>(3,000,000)</b>	(3,000,000)
Long-term payables	<b>(1,140,234)</b>	(953,097)
Obligations under finance leases	<b>(11,247,855)</b>	(8,078,671)
<b>Total long-term liabilities</b>	<b>(25,639,295)</b>	(22,214,760)
<b>Total liabilities</b>	<b>(52,199,819)</b>	(46,450,167)
Minority interests	<b>(3,677,639)</b>	(2,771,771)
Shareholders' equity:		
Share capital	<b>(12,251,362)</b>	(9,433,211)
Capital reserve	<b>(14,291,942)</b>	(8,505,379)
Reserve funds	<b>(768,398)</b>	(362,884)
Including: Statutory public welfare fund	-	(101,371)
Retained profits	<b>(4,131,428)</b>	(1,582,711)
Including: Discretionary reserve fund proposed by Board of Directors	<b>(317,902)</b>	(84,303)
Dividend proposed by Board of Directors	<b>(602,767)</b>	(224,793)
Exchange differences arising on translation of foreign currency denominated financial statements	<b>203,151</b>	44,163
<b>Total shareholders' equity</b>	<b>(31,239,979)</b>	(19,840,022)
<b>Total liabilities and shareholders' equity</b>	<b>(87,117,437)</b>	(69,061,960)