

**BALANCE SHEET**

As at 31 December, 2003

(Prepared under International Financial Reporting Standards)

(Expressed in Renminbi)

	Note	2003 RMB'000	2002 RMB'000
<b>Non-current assets</b>			
Fixed assets	10	22,610,251	19,530,908
Construction in progress	11	1,532,462	615,511
Lease prepayments		116,276	15,502
Interest in subsidiaries	12	1,445,831	1,406,010
Interest in associated companies	13	287,235	367,573
Interest in jointly controlled entities	14	563,736	474,042
Other investments		106,548	106,009
Lease and equipment deposits		2,228,754	2,065,192
Deferred expenditure	15	240,514	272,636
		<b>29,131,607</b>	24,853,383
<b>Current assets</b>			
Inventories	17	213,219	118,134
Trade receivables	18	683,206	464,930
Other receivables		222,438	239,601
Prepaid expenses and other assets		181,856	141,591
Cash and cash equivalents	20	1,404,874	2,960,337
		<b>2,705,593</b>	3,924,593
<b>Current liabilities</b>			
Bank and other loans	21	5,958,968	3,479,322
Obligations under finance leases	22	1,297,855	1,566,698
Amounts due to related companies	19	870,682	358,077
Other liabilities		854,057	411,218
Accounts payable	23	745,888	296,989
Bills payable		438,135	1,299,680
Sales in advance of carriage		405,851	340,457
Accrued expenses		1,628,072	1,049,806
Tax payable		48,142	48,143
		<b>12,247,650</b>	8,850,390
<b>Net current liabilities</b>		<b>(9,542,057)</b>	(4,925,797)
<b>Total assets less current liabilities</b>		<b>19,589,550</b>	19,927,586

The notes on pages 47 to 98 form part of these financial statements.



## BALANCE SHEET (Cont'd)

As at 31 December, 2003

(Prepared under International Financial Reporting Standards)

(Expressed in Renminbi)

	Note	2003 RMB'000	2002 RMB'000
<b>Non-current liabilities and deferred items</b>			
Bank and other loans	21	3,670,499	4,628,372
Obligations under finance leases	22	5,543,084	6,631,751
Provision for major overhauls	24	130,992	63,389
Deferred credits		6,317	7,855
Deferred taxation	16	89,708	507,077
		9,440,600	11,838,444
<b>Net assets</b>		<b>10,148,950</b>	<b>8,089,142</b>
<b>Representing:</b>			
<b>Share capital</b>	25	<b>4,374,178</b>	3,374,178
<b>Reserves</b>	26	<b>5,774,772</b>	4,714,964
<b>Shareholders' equity</b>		<b>10,148,950</b>	<b>8,089,142</b>

Approved and authorised for issue by the board of directors on 23 April, 2004

**YAN ZHI QING**  
Director

**WANG CHANG SHUN**  
Director

**XU JIE BO**  
Director