



Consolidated Balance Sheet

As at 31 December, 2004
(Prepared under PRC Accounting Rules and Regulations)

	Note	2004 RMB million	2003 RMB million
Assets			
Current assets:			
Cash at bank and on hand	5	3,274	2,321
Short-term investments	6	669	–
Trade receivables	7	1,592	892
Other receivables	8	731	317
Advance payments	9	147	85
Inventories	10	1,398	632
Prepaid expenses	11	346	203
Total current assets		8,157	4,450
Long-term equity investments			
	12	741	622
Fixed assets:			
Fixed assets, at cost		61,326	40,898
Less: Accumulated depreciation		13,706	11,503
Net book value of fixed assets	13	47,620	29,395
Construction materials	14	–	2
Construction in progress	15	626	1,937
Total fixed assets		48,246	31,334
Other assets:			
Lease and equipment deposits	16	5,397	2,933
Long-term deferred expenditure	17	131	26
Intangible assets	18	467	–
Long-term receivables	19	16	6
Total other assets		6,011	2,965
Total assets		63,155	39,371

The notes on pages 119 to 182 form part of these financial statements.

Consolidated Balance Sheet (Cont'd)

As at 31 December, 2004

(Prepared under PRC Accounting Rules and Regulations)

	Note	2004 RMB million	2003 RMB million
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	20	10,173	6,429
Bills payable	21	137	448
Trade payables	22	2,600	1,667
Receipts in advance		5	–
Sales in advance of carriage	23	874	466
Wages payable		179	74
Staff welfare payable		79	131
Taxes payable	3	324	102
CAAC infrastructure development fund payable	24	162	354
Other creditors	25	333	6
Other payables	26	4,328	892
Accrued expenses	27	3,729	2,387
Long-term liabilities due within one year	28	3,691	1,986
Total current liabilities		26,614	14,942
Long-term liabilities:			
Long-term loans	29	12,324	4,780
Obligations under finance leases	30	9,538	5,543
Provision for major overhauls	31	284	189
Deferred credits	32	240	217
Total long-term liabilities		22,386	10,729
Deferred taxation:			
Deferred tax liabilities	33	282	392
Total liabilities		49,282	26,063
Minority interests		2,220	1,758

The notes on pages 119 to 182 form part of these financial statements.



Consolidated Balance Sheet (Cont'd)

As at 31 December, 2004
(Prepared under PRC Accounting Rules and Regulations)

	Note	2004 RMB million	2003 RMB million
Shareholders' equity:			
Share capital	34	4,374	4,374
Capital reserve	35	5,801	5,801
Surplus reserves	36	672	611
Including: Statutory public welfare fund		193	173
Retained profits		806	764
Total shareholders' equity		11,653	11,550
Total liabilities and shareholders' equity		63,155	39,371

Approved by the Board of Directors on 25 April, 2005.

Liu Shao Yong
Chairman

Si Xian Min
Director and President

Xu Jie Bo
Director and
Chief Financial Officer

Xiao Li Xin
General Manager of
Finance Department