

Consolidated Balance Sheet

At 31 December 2005
(Prepared under PRC Accounting Rules and Regulations)
(Expressed in Renminbi)

	Note	2005 RMB million	2004 RMB million
Assets			
Current assets:			
Cash at bank and on hand	4	3,130	3,274
Dividends receivable	5	4	–
Short-term investments	6	–	669
Trade receivables	7	1,698	1,592
Other receivables	8	994	835
Advance payments	9	144	147
Inventories	10	1,476	1,398
Prepaid expenses	11	350	346
Total current assets		7,796	8,261
Long-term equity investments	12	551	741
Fixed assets:			
Fixed assets, at cost		73,112	61,326
Less: Accumulated depreciation		17,864	13,706
Net book value of fixed assets	13	55,248	47,620
Construction in progress	14	726	626
Total fixed assets		55,974	48,246
Intangible assets and other assets:			
Lease and equipment deposits	15	7,266	5,397
Intangible assets	16	580	467
Long-term deferred expenditure	17	36	131
Long-term receivables	18	16	16
Total intangible assets and other assets		7,898	6,011
Deferred taxation:			
Deferred tax assets	31	85	55
Total assets		72,304	63,314

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

Consolidated Balance Sheet (Cont'd)

At 31 December 2005
(Prepared under PRC Accounting Rules and Regulations)
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	Note	2005 RMB million	2004 RMB million
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	19	14,478	10,173
Bills payable	20	896	137
Trade payables	21	3,223	2,600
Receipts in advance		–	5
Sales in advance of carriage	22	1,413	874
Wages payable		142	179
Staff welfare payable		73	79
Taxes payable	3(c)	402	324
Other compulsory payables	23	736	495
Other payables	24	2,903	4,432
Accrued expenses	25	3,848	3,729
Long-term liabilities due within one year	26	5,240	3,691
Total current liabilities		33,354	26,718
Long-term liabilities:			
Long-term loans	27	13,130	12,324
Obligations under finance leases	28	12,418	9,538
Provision for major overhauls	29	315	284
Deferred credits	30	655	240
Total long-term liabilities		26,518	22,386
Deferred taxation:			
Deferred tax liabilities	31	340	337
Total liabilities		60,212	49,441
Minority interests		2,141	2,220

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Consolidated Balance Sheet (Cont'd)

At 31 December 2005
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	Note	2005 RMB million	2004 RMB million
Shareholders' equity:			
Share capital	32	4,374	4,374
Capital reserve	33	5,893	5,801
Surplus reserves	34	691	672
Including: Statutory public welfare fund		198	193
(Accumulated losses)/retained profits	35	(1,007)	806
Total shareholders' equity		9,951	11,653
Total liabilities and shareholders' equity		72,304	63,314

Approved by the Board of Directors on 19 April 2006.

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