

# Consolidated Income Statement

(Prepared in accordance with International Financial Reporting Standards)  
For the year ended 31st December, 2004  
(Amounts expressed in thousands of RMB, except per share data)

	Note	For the year ended 31st December,	
		2004	2003
<b>Operating revenue, net</b>		<b>30,118,278</b>	23,388,237
<b>Operating expenses</b>			
Fuel		(15,068,188)	(9,025,013)
Maintenance		(807,689)	(921,561)
Depreciation		(4,706,992)	(4,117,478)
Labor		(1,877,264)	(1,439,673)
Service fees to HIPDC	7(a)	(133,609)	(214,723)
Others		(606,346)	(596,627)
<b>Total operating expenses</b>		<b>(23,200,088)</b>	(16,315,075)
<b>Profit from operations</b>		<b>6,918,190</b>	7,073,162
Interest income		43,092	53,044
Interest expense		(663,424)	(569,148)
Bank charges and exchange losses, net		(119,452)	(28,181)
<b>Total financial expenses</b>		<b>(739,784)</b>	(544,285)
Share of profit of associates	11	377,565	212,091
Investment income	13	22,542	—
(Loss)/Gain from disposal of investments		(1,988)	10,705
Other income, net	5	18,666	12,070
<b>Profit before tax</b>	6	<b>6,595,191</b>	6,763,743
Income tax expense	32	(1,014,262)	(1,149,441)
<b>Profit before minority interests</b>		<b>5,580,929</b>	5,614,302
<b>Minority interests</b>	33	<b>(257,053)</b>	(183,894)
<b>Net profit attributable to shareholders</b>		<b>5,323,876</b>	5,430,408
<b>Dividends paid and proposed</b>	22	<b>6,019,432</b>	5,063,244
<b>Proposed dividend</b>	22	<b>3,013,846</b>	3,013,836
<b>Proposed dividend per share (RMB)</b>	22	<b>0.25</b>	0.25
<b>Basic earnings per share (RMB)</b>	34	<b>0.44</b>	0.45
<b>Diluted earnings per share (RMB)</b>	34	<b>0.44</b>	0.45

The notes on pages 101 to 150 are an integral part of these financial statements.