

Consolidated Income Statement

Year ended 31 December 2006

(Prepared under International Financial Reporting Standards)

	Notes	2006 RMB'000	2005 RMB'000
TURNOVER			
Air traffic revenue	4	41,606,130	35,300,826
Other operating revenue	5	3,330,476	2,990,140
		44,936,606	38,290,966
OPERATING EXPENSES			
Jet fuel costs		(15,716,174)	(11,777,129)
Take-off, landing and depot charges		(5,136,388)	(4,442,585)
Depreciation		(5,274,033)	(4,512,680)
Aircraft maintenance, repair and overhaul costs		(1,812,647)	(1,341,773)
Employee compensation costs	6	(4,313,883)	(3,406,825)
Air catering charges		(1,320,123)	(1,242,933)
Aircraft and engine operating lease expenses		(2,069,639)	(1,530,754)
Other operating lease expenses		(323,752)	(211,177)
Other flight operation expenses		(3,658,986)	(3,744,977)
Selling and marketing expenses		(2,026,728)	(1,775,026)
General and administrative expenses		(766,549)	(631,291)
		(42,418,902)	(34,617,150)
PROFIT FROM OPERATIONS	7	2,517,704	3,673,816
Finance revenue	8	1,177,871	1,248,607
Finance costs	8	(1,876,487)	(1,773,099)
Gain on disposal of an associate	9	1,592,633	–
Share of profits and losses of associates	20	517,500	224,930
PROFIT BEFORE TAX		3,929,221	3,374,254
Tax	12	(624,124)	(903,874)
PROFIT FOR THE YEAR		3,305,097	2,470,380
Attributable to:			
Equity holders of the Company		2,687,841	2,406,256
Minority interests		617,256	64,124
		3,305,097	2,470,380
Dividend:			
Interim	14	–	–
Proposed final		602,767	224,793
		602,767	224,793
Earnings per share attributable to equity holders of the Company:			
Basic	15	26.2 cents	25.5 cents
Diluted		NA	NA