



## CONSOLIDATED INCOME AND PROFIT APPROPRIATION STATEMENT

For the year ended 31 December, 2003

(Prepared under PRC Accounting Rules and Regulations)

	Note	2003 RMB'000	2002 RMB'000
<b>Revenue from principal operations</b>	37	<b>17,351,006</b>	18,805,510
Less: Transfer to CAAC infrastructure development fund		<b>250,802</b>	798,386
<b>Net revenue from principal operations</b>		<b>17,100,204</b>	18,007,124
Less: Costs of principal operations		<b>14,221,965</b>	13,118,104
Business taxes and surcharges	38	<b>190,682</b>	525,250
<b>Profit from principal operations</b>		<b>2,687,557</b>	4,363,770
Add: Profit from other operations	39	<b>325,949</b>	325,327
Less: Selling expenses		<b>1,519,416</b>	1,527,255
Administrative expenses		<b>893,343</b>	1,013,506
Financial expenses	40	<b>995,550</b>	1,095,219
<b>Operating (loss)/ profit</b>		<b>(394,803)</b>	1,053,117
Add: Investment income	41	<b>61,676</b>	10,473
Non-operating income	42	<b>43,083</b>	8,627
Less: Non-operating expenses	43	<b>71,480</b>	40,531
<b>(Loss)/profit before income tax</b>		<b>(361,524)</b>	1,031,686
Less: Income tax	44	<b>(604,727)</b>	353,230
Minority interests		<b>228,715</b>	165,111
<b>Net profit for the year</b>		<b>14,488</b>	513,345

The notes on pages 116 to 182 form part of these financial statements.

**CONSOLIDATED INCOME AND PROFIT APPROPRIATION STATEMENT (Cont'd)***For the year ended 31 December, 2003**(Prepared under PRC Accounting Rules and Regulations)*

	Note	2003 RMB'000	2002 RMB'000
<b>Net profit for the year</b>		<b>14,488</b>	513,345
Add: Retained profits at the beginning of the year		<b>774,466</b>	412,343
<b>Profits available for distribution</b>		<b>788,954</b>	925,688
Less: Transfer to statutory surplus reserve	36	<b>23,856</b>	51,335
Transfer to statutory public welfare fund	36	<b>1,113</b>	25,667
<b>Profits available for distribution to shareholders</b>		<b>763,985</b>	848,686
Less: Transfer to discretionary surplus reserve	36	–	6,736
Dividends distributed to shareholders	36	–	67,484
<b>Retained profits at the end of the year</b>		<b>763,985</b>	774,466

The notes on pages 116 to 182 form part of these financial statements.