



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
Revenue from principal operations	37	11,917,893	9,496,806
Less: Transfer to CAAC Infrastructure development fund		167,942	375,734
Net revenue from principal operations		11,749,951	9,121,072
Less: Costs of principal operations		10,242,766	6,324,601
Business taxes and surcharges	38	132,488	255,924
Profit from principal operations		1,374,697	2,540,547
Add: Profit from other operations	39	253,060	264,363
Less: Selling expenses		1,110,849	917,162
Administrative expenses		547,390	412,563
Financial expenses	40	887,644	988,893
Operating (loss)/ profit		(918,126)	486,292
Add: Investment income	41	266,925	268,556
Non-operating income	42	17,896	2,834
Less: Non-operating expenses	43	23,962	9,329
(Loss)/profit before income tax		(657,267)	748,353
Less: Income tax	44	(671,755)	235,008
Net profit for the year		14,488	513,345

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

**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
Net profit for the year		14,488	513,345
Add: Retained profits at the beginning of the year		774,466	412,343
Profits available for distribution		788,954	925,688
Less: Transfer to statutory surplus reserve	36	1,449	51,335
Transfer to statutory public welfare fund	36	724	25,667
Profits available for distribution to shareholders		786,781	848,686
Less: Transfer to discretionary surplus reserve	36	–	6,736
Dividends distributed to shareholders	36	–	67,484
Retained profits at the end of the year		786,781	774,466

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