

Consolidated Income Statement

For the year ended 31 December, 2004

(Prepared under International Financial Reporting Standards)

(Expressed in Renminbi)

	Note	2004 RMB million	2003 RMB million
Operating revenue:			
Traffic revenue		23,344	16,965
Other operating revenue		630	505
Total operating revenue	3	23,974	17,470
Operating expenses:			
Flight operations		10,418	7,070
Maintenance		3,459	2,589
Aircraft and traffic servicing		3,503	2,767
Promotion and sales		1,940	1,480
General and administrative		1,323	1,053
Depreciation and amortisation		2,413	2,038
Other		9	17
Total operating expenses	4	23,065	17,014
Operating profit		909	456
Non-operating income/(expenses):			
Interest income		22	13
Interest expense	4	(691)	(824)
Share of associates' results		12	48
Share of jointly controlled entities' results	14	(5)	(39)
Loss on disposal of property, plant and equipment	5	(1)	(22)
Exchange loss, net		(59)	(164)
Other, net		46	21
Total net non-operating expenses		(676)	(967)
Profit/(loss) before taxation and minority interests	4	233	(511)
Income tax (expense)/credit	7	(78)	324
Profit/(loss) before minority interests		155	(187)
Minority interests		(203)	(171)
Loss attributable to shareholders		(48)	(358)
Basic loss per share	9	RMB(0.01)	RMB(0.09)

The notes on pages 51 to 99 form part of these financial statements.