



Consolidated Income Statement and Profit Appropriation Statement

For the year ended 31 December, 2004
(Prepared under PRC Accounting Rules and Regulations)

	Note	2004 RMB million	2003 RMB million
Revenue from principal operations	38	24,194	17,351
Less: Transfer to CAAC infrastructure development fund	4	–	251
Net revenue from principal operations		24,194	17,100
Less: Cost of principal operations		19,296	14,222
Business taxes and surcharges	39	692	191
Profit from principal operations		4,206	2,687
Add: Profit from other operations	40	135	326
Less: Selling expenses		2,058	1,519
Administrative expenses		1,226	893
Financial expenses	41	727	996
Operating profit/(loss)		330	(395)
Add: Investment income	42	63	62
Non-operating income	43	126	43
Less: Non-operating expenses	44	127	71
Profit/(loss) before income tax		392	(361)
Less: Income tax	45	87	(605)
Minority interests		202	229
Net profit for the year		103	15

The notes on pages 119 to 182 form part of these financial statements.

Consolidated Income Statement and Profit Appropriation Statement (Cont'd)

For the year ended 31 December, 2004

(Prepared under PRC Accounting Rules and Regulations)

	Note	2004 RMB million	2003 RMB million
Net profit for the year		103	15
Add: Retained profits at the beginning of the year		764	774
Profits available for distribution		867	789
Less: Transfer to statutory surplus reserve	36	41	24
Transfer to statutory public welfare fund	36	20	1
Profits available for distribution to shareholders		806	764
Less: Transfer to discretionary surplus reserve	36	–	–
Dividends distributed to shareholders		–	–
Retained profits at the end of the year		806	764

The notes on pages 119 to 182 form part of these financial statements.