

## Consolidated Income Statement

For the year ended 31 December 2005  
(Prepared under International Financial Reporting Standards)  
(Expressed in Renminbi)

	Note	2005 RMB million	2004 RMB million (restated, Note 3)
Operating revenue			
Traffic revenue	4	<b>37,419</b>	23,344
Other operating revenue	4	<b>874</b>	630
<b>Total operating revenue</b>		<b>38,293</b>	23,974
Operating expenses			
Flight operations	5	<b>19,394</b>	10,418
Maintenance	6	<b>4,589</b>	3,459
Aircraft and traffic servicing	7	<b>5,759</b>	3,503
Promotion and sales	8	<b>2,780</b>	1,940
General and administrative	9	<b>2,457</b>	1,323
Depreciation and amortisation	10	<b>4,440</b>	2,413
Others		<b>179</b>	9
<b>Total operating expenses</b>		<b>39,598</b>	23,065
<b>Operating (loss)/profit</b>		<b>(1,305)</b>	909
Non-operating income/(expenses)			
Interest income		<b>55</b>	22
Interest expense	12	<b>(1,616)</b>	(691)
Share of associates' results	21	<b>(285)</b>	10
Share of jointly controlled entities' results	22	<b>36</b>	(16)
Loss on sale of property, plant and equipment		<b>(32)</b>	(1)
Exchange gain/(loss), net		<b>1,220</b>	(59)
Others, net		<b>74</b>	46
<b>Total net non-operating expenses</b>		<b>(548)</b>	(689)
<b>(Loss)/profit before taxation</b>		<b>(1,853)</b>	220
Income tax benefit/(expense)	14	<b>7</b>	(65)
<b>(Loss)/profit for the year</b>		<b>(1,846)</b>	155
Attributable to			
Equity shareholders of the Company	15	<b>(1,848)</b>	(48)
Minority interests		<b>2</b>	203
<b>(Loss)/profit for the year</b>		<b>(1,846)</b>	155
<b>Basic loss per share</b>	17	<b>RMB(0.42)</b>	RMB(0.01)

The notes on pages 47 to 101 form part of these financial statements.