

Consolidated Income Statement

For the year ended December 31, 2004

(All amounts in Renminbi thousands, except for per share data)

	Notes	2004	2003
Revenues from railroad businesses			
Passenger		2,259,671	1,790,204
Freight		611,807	526,382
Sub-total		2,871,478	2,316,586
Revenues from other businesses		166,671	151,596
Total revenues		3,038,149	2,468,182
Operating expenses			
Railroad businesses			
Business tax		(83,732)	(47,569)
Labour and benefits		(492,581)	(347,649)
Equipment leases and services		(452,204)	(437,739)
Materials and supplies		(245,534)	(216,993)
Repair costs, excluding materials and supplies		(216,294)	(89,640)
Depreciation		(334,501)	(290,014)
Amortisation of leasehold land payments		(15,704)	(15,602)
Fees for social services		(84,643)	(62,579)
General and administrative expenses		(190,290)	(134,688)
Others		(126,338)	(113,382)
Sub-total		(2,241,821)	(1,755,855)
Other businesses			
Business tax		(7,840)	(7,226)
Materials and supplies		(95,637)	(112,677)
General and administrative expenses		(62,678)	(29,711)
Sub-total		(166,155)	(149,614)
Total operating expenses		(2,407,976)	(1,905,469)
Profit from operations		630,173	562,713
Other income		48,193	47,341
Finance costs		(1,136)	(2,468)
Share of losses of associates before tax	14	(12,070)	(2,417)
Profit before tax	4	665,160	605,169
Income tax expense	6	(98,422)	(93,439)
Profit from ordinary activities after tax		566,738	511,730
Minority interests		746	32
Profit attributable to shareholders	7	567,484	511,762
Dividends	9	476,911	455,233
Earnings per share	8		
— Basic		RMB0.13	RMB0.12
— Diluted		N/A	N/A