

Consolidated Income Statement and Profit Appropriation Statement

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

	Note	2004 RMB'000	2003 RMB'000
Income from principal operations	24	39,402,533	29,567,140
Less: Cost of sales	24	32,009,082	25,242,197
Business taxes and surcharges	25	738,474	624,457
Profit from principal operations		6,654,977	3,700,486
Add: Profit from other operations		130,298	82,795
Less: Selling expenses		395,694	444,703
Administrative expenses		1,265,594	1,193,327
Financial expenses	26	315,809	402,614
Income from operations		4,808,178	1,742,637
Add: Investment income	27	72,539	17,573
Non-operating income		83,058	19,376
Less: Non-operating expenses	28	270,716	202,984
Total profit		4,693,059	1,576,602
Less: Income tax	14(a)	633,729	147,436
Minority interests		88,065	43,610
Net profit		3,971,265	1,385,556
Add: Undistributed profits at the beginning of the year		2,048,896	1,300,452
Distributable profits		6,020,161	2,686,008
Less: Transfer to statutory surplus reserve	23	397,127	138,556
Transfer to statutory public welfare fund	23	397,127	138,556
Distributable profits to shareholders		5,225,907	2,408,896
Less: Ordinary shares' final dividend	29(a)	576,000	360,000
Undistributed profits at the end of the year (including dividend declared after the balance sheet date of RMB1,440,000,000 (2003:RMB 576,000,000))		4,649,907	2,048,896

Approved by the Board of Directors on 23 March 2005.

Lu Yiping
Chairman

Rong Guangdao
Vice chairman and President

Han Zhihao
Director and Chief Financial Officer

The notes on pages 135 to 175 form part of these financial statements.