

INCOME STATEMENTS & STATEMENTS OF INCOME DISTRIBUTION

(Prepared under PRC GAAP)

For the year ended 31 December 2004

(All amounts in RMB'000 unless otherwise stated)

(English Translation for Reference Only)

Items	Notes	2004		2003	
		Group	Company	Group	Company
1. Revenue from main operations	27	22,698,153	21,572,945	16,036,035	15,286,887
Less: Cost of main operations	27	14,369,106	16,285,819	10,292,956	11,353,182
Taxes and levies on main operations	28	70,912	55,427	28,925	15,844
2. Profit from main operations		8,258,135	5,231,699	5,714,154	3,917,861
Add: Profit from other operations	29	41,339	160,095	59,771	59,676
Less: Selling and distribution expenses		2,929,110	2,852,561	2,084,300	1,994,668
General and administrative expenses		3,899,003	1,952,482	2,602,649	1,627,669
Finance expense – net	30	284,978	256,903	292,595	276,085
3. Operating profit		1,186,383	329,848	794,381	79,115
Add: Investment income	31	(3,669)	1,149,900	(6,855)	993,030
Subsidy income	32	378,698	38,179	128,873	81,627
Non-operating income	33	18,041	7,486	33,634	27,051
Less: Non-operating expenses	34	160,637	152,878	71,849	61,760
4. Total profit		1,418,816	1,372,535	878,184	1,119,063
Less: Income tax		207,935	210,252	116,758	44,790
Minority interest		202,011	-	57,298	-
5. Net profit		1,008,870	1,162,283	704,128	1,074,273
Add: Undistributed profits, beginning of the year		1,221,165	2,067,667	880,857	1,354,724
6. Appropriated profit		2,230,035	3,229,950	1,584,985	2,428,997
Less: Statutory common reserve		240,843	116,228	109,086	107,427
Statutory public welfare fund		120,422	58,114	54,545	53,714
7. Profit available for distribution to equity owners		1,868,770	3,055,608	1,421,354	2,267,856
Less: Proposed ordinary shares dividends		239,880	239,880	200,189	200,189
Ordinary shares dividends converted to shares		133,459	133,459	-	-
8. Undistributed profits		1,495,431	2,682,269	1,221,165	2,067,667

Legal
representative:
Hou Weigui

Person in charge of
accounting function:
Wei Zaisheng

Person in charge of
accounting department:
Yu Yong

(The accompanying notes form an integral part of these financial statements.)

INCOME STATEMENTS & STATEMENTS OF INCOME DISTRIBUTION

(Prepared under PRC GAAP)

Supplemental information

Items	for the year 2004	for the year 2003
1. Gains on sales or disposal of segments or associated companies	-	-
2. Losses on natural disaster	-	-
3. Increased/decreased total profit arising from changes of accounting policies	-	-
4. Increased/decreased total profit arising from changes of accounting estimate	(238,637)	-
5. Losses on debt restructured	-	-
6. Others	-	-

Legal
representative:
Hou Weigui

Person in charge of
accounting function:
Wei Zaisheng

Person in charge of
accounting department:
Yu Yong

(The accompanying notes form an integral part of these financial statements.)