

## STATEMENT OF INCOME AND PROFITS APPROPRIATIONS (Under PRC GAAP)

For the year ended December 31, 2004

	NOTES	The Group		The Company	
		2004 RMB	2003 RMB	2004 RMB	2003 RMB
Revenue from principal operations	31	12,209,163,529	8,665,232,204	12,209,163,529	8,665,232,204
Less: Cost of principal operations	32	5,086,472,309	4,014,696,200	5,087,919,186	4,014,947,339
Sales taxes and surcharges	33	231,340,630	124,018,200	231,340,630	124,018,200
Profit from principal operations		6,891,350,590	4,526,517,804	6,889,903,713	4,526,266,665
Add: Profits from other operations	34	39,031,783	43,020,336	37,812,551	39,238,342
Less: Operating expenses	35	1,473,128,158	1,659,074,791	1,477,900,400	1,658,240,768
General and administrative expenses		1,298,030,947	1,188,613,205	1,291,676,868	1,187,450,984
Financial expenses	36	(44,159,594)	41,370,419	(43,365,374)	41,388,488
Operating profit		4,203,382,862	1,680,479,725	4,201,504,370	1,678,424,767
Add: Investment income	37/48(2)	25,174,956	10,416,971	25,556,243	10,991,229
Subsidy income	38	-	8,194,472	-	8,194,472
Non-operating income	39	11,936,922	17,341,590	11,605,824	17,208,821
Less: Non-operating expenses	40	125,671,496	22,770,468	125,622,993	22,570,524
Total profit		4,114,823,244	1,693,662,290	4,113,043,444	1,692,248,765
Less: Income taxes	41	1,406,785,722	587,775,571	1,405,258,598	586,884,118
Minority interest		252,676	522,072	-	-
Net profit		2,707,784,846	1,105,364,647	2,707,784,846	1,105,364,647
Add: Unappropriated profits at the beginning of the year	30	2,220,500,672	1,751,708,336	2,220,752,156	1,751,872,206
Profits available for appropriation		4,928,285,518	2,857,072,983	4,928,537,002	2,857,236,853
Less: Appropriations to statutory common reserve fund	30	270,811,034	110,580,272	270,778,484	110,536,465
Appropriations to statutory common welfare fund	30	135,421,792	55,312,039	135,389,242	55,268,232
Profits available for appropriation to shareholders		4,522,052,692	2,691,180,672	4,522,369,276	2,691,432,156
Less: Cash dividend proposed after the balance sheet date	29	799,240,000	470,680,000	799,240,000	470,680,000
Unappropriated profits at the end of the year		<u>3,722,812,692</u>	<u>2,220,500,672</u>	<u>3,723,129,276</u>	<u>2,220,752,156</u>

The accompanying notes are part of the financial statements.