

STATEMENT OF INCOME AND PROFITS APPROPRIATION (under PRC GAAP)

For the year ended December 31, 2005

	NOTES	The Group		The Company	
		2005 RMB	2004 RMB	2005 RMB	2004 RMB
Revenue from principal operations	35	12,705,529,905	12,209,163,529	12,705,529,905	12,209,163,529
Less: Cost of principal operations	36	5,907,119,918	5,086,472,309	5,908,395,835	5,087,919,186
Sales taxes and surcharges	37	258,504,729	231,340,630	258,504,729	231,340,630
Profit from principal operations		6,539,905,258	6,891,350,590	6,538,629,341	6,889,903,713
Add: Profits from other operations	38	43,674,129	39,031,783	41,770,016	37,812,551
Less: Operating expenses	39	997,377,040	1,473,128,158	1,001,895,961	1,477,900,400
General and administrative expenses		1,627,752,362	1,298,030,947	1,603,012,619	1,291,676,868
Financial expenses	40	45,193,046	(44,159,594)	34,758,133	(43,365,374)
Operating profit		3,913,256,939	4,203,382,862	3,940,732,644	4,201,504,370
Add: Investment income	41	9,092,385	25,174,956	(20,638,842)	25,556,243
Non-operating income	42	2,397,034	11,936,922	2,185,909	11,605,824
Less: Non-operating expenses	43	13,927,078	125,671,496	12,618,939	125,622,993
Total profits		3,910,819,280	4,114,823,244	3,909,660,772	4,113,043,444
Less: Income taxes	44	1,414,861,832	1,406,785,722	1,414,179,321	1,405,258,598
Minority interest		475,997	252,676	–	–
Net profit		2,495,481,451	2,707,784,846	2,495,481,451	2,707,784,846
Add: Unappropriated profits at the beginning of the year	34	3,722,812,692	2,220,500,672	3,723,129,276	2,220,752,156
Profits available for appropriation		6,218,294,143	4,928,285,518	6,218,610,727	4,928,537,002
Less: Appropriations to statutory common reserve fund	34	249,548,146	270,811,034	249,548,146	270,778,484
Appropriations to statutory common welfare fund	34	124,774,073	135,421,792	124,774,073	135,389,242
Profits available for appropriation to shareholders		5,843,971,924	4,522,052,692	5,844,288,508	4,522,369,276
Less: Cash dividend proposed after the balance sheet date	33	1,082,048,000	799,240,000	1,082,048,000	799,240,000
Unappropriated profits at the end of the year		4,761,923,924	3,722,812,692	4,762,240,508	3,723,129,276

The accompanying notes are part of the financial statements.