

Consolidated Statement of Income and Profit Appropriation

(Prepared under PRC accounting standards)

Year ended 31 December 2005

	Note V	2005 RMB	2004 RMB
Principal operating income	34	32,083,096,010	26,770,054,518
Less: Cost of sales	34	(27,294,506,637)	(20,799,145,940)
Taxes and surcharges	35	(219,107,015)	(201,984,489)
Profit from principal operating activities		4,569,482,358	5,768,924,089
Add: Other operating profit	36	116,214,796	38,994,166
Less: Selling expenses		(208,996,377)	(166,518,840)
Administrative expenses	37	(929,639,074)	(1,212,907,394)
Financial expenses	38	(209,482,151)	(406,824,514)
Operating profit		3,337,579,552	4,021,667,507
Add: Investment income	39	18,745,331	147,188
Subsidies income	40	1,992,600	672,381
Non-operating income	41	342,974	27,164,217
Less: Non-operating expenses	42	(36,393,600)	(20,013,978)
Profit before tax		3,322,266,857	4,029,637,315
Less: Income tax		(433,775,030)	(441,258,757)
Minority interests	29	(40,871,867)	(12,571,745)
Net profit		2,847,619,960	3,575,806,813
Add: Retained profits at beginning of year		3,758,605,642	2,268,184,065
Profit available for distribution		6,606,225,602	5,843,990,878
Less: Transfers to statutory surplus reserve	33	(286,812,511)	(360,050,300)
Transfers to statutory public welfare fund	33	(285,532,897)	(360,013,180)
Transfers to reserve fund	33	(7,632,717)	(2,782,082)
Transfers to enterprise expansion fund	33	(5,542,898)	(4,785,952)
Transfers to employee bonus and welfare fund	33	(4,615,762)	(2,140,722)
Profit available for distribution to shareholders		6,016,088,817	5,114,218,642
Less: Ordinary share dividend payable		(1,420,166,000)	(1,355,613,000)
Retained profits at end of year		4,595,922,817	3,758,605,642

The accompanying notes form an integral part of the financial statements

Company Representative:

Gu Jianguo

11 April 2006

Chief Accountant:

Su Jianguang

11 April 2006

Head of Accounting Department:

Guan Yagang

11 April 2006