

Income Statement

For the year ended December 31, 2006
(in RMB thousand)

	Notes XV	2006	2005
Operating expenses			
Business tax and surcharges	7	(23,911)	(2,411)
Operating expenses	8	(885,871)	(410,158)
Total operating expenses		(909,782)	(412,569)
Add: Other profit		3,452	5,742
Investment income	9	6,559,054	3,205,779
Interest income		382,959	581,198
Income from assets purchased under agreements to resell		5,197	–
Foreign exchange losses		(26,546)	(3,179)
Less: Interest expenses		(25,288)	–
Expenses of assets sold under agreements to repurchase		(9,576)	(3,396)
Operating profit		5,979,470	3,373,575
Add: Non-operating income		18	25
Less: Non-operating expenses		(3,277)	(250)
Profit before tax		5,976,211	3,373,350
Less: Income tax		20,607	(34,922)
Net profit		5,996,818	3,338,428

The accompanying notes on pages 162 to 242 form an integral part of these financial statements.