

Company Statement of Income and Profit Appropriation

(Prepared under PRC Accounting Standards)

Year ended 31 December 2006

	Note V	2006 RMB	2005 RMB
Principal operating income	34	34,268,626,938	31,998,588,914
Less: Cost of sales	34	(30,285,563,542)	(27,512,160,269)
Taxes and surcharges		(224,924,835)	(213,737,343)
Profit from principal operating activities		3,758,138,561	4,272,691,302
Add: Other operating profit		9,466,611	11,957,707
Less: Selling expenses		(222,155,506)	(202,641,639)
Administrative expenses		(844,280,172)	(861,967,126)
Financial expenses		(308,870,230)	(175,274,567)
Operating profit		2,392,299,264	3,044,765,677
Add: Investment income	39	257,408,373	187,482,534
Non-operating income		2,953,463	162,362
Less: Non-operating expenses		22,851,436	(36,165,544)
Profit before tax		2,675,512,536	3,196,245,029
Less: Income tax		(362,287,139)	(409,582,020)
Net profit		2,313,225,397	2,786,663,009
Add: Retained profits at beginning of year		4,597,770,300	3,788,605,893
Profit available for distribution		6,910,995,697	6,575,268,902
Less: Transfers to statutory reserve		(231,322,540)	(278,666,301)
Transfers to statutory public welfare fund		–	(278,666,301)
Profit available for distribution to shareholders		6,679,673,157	6,017,936,300
Less: Ordinary share dividend payable		(1,032,848,000)	(1,420,166,000)
Retained profits at end of year		5,646,825,157	4,597,770,300

The accompanying notes form an integral part of the financial statements

Company Representative:

Gu Jianguo

17 April 2007

Chief Accountant:

Su Jianguang

17 April 2007

Head of Accounting Department:

Guan Yagang

17 April 2007