

Consolidated Income Statement

For the year ended 31st December 2006

(All amounts in thousands of RMB unless otherwise stated)

| | Note | 2006 | 2005 |
|---|------|--------------------|-------------|
| Turnover | 22 | 3,861,710 | 3,927,500 |
| Cost of sales (including provision for impairment loss on property, plant and equipment of RMB67,205,000 (2005: RMB567,659,000)) | | (3,356,160) | (4,357,371) |
| Gross profit/(loss) | | 505,550 | (429,871) |
| Other revenue | 23 | 19,498 | 37,603 |
| Other net income | 23 | 155,126 | 21,295 |
| Selling and marketing costs | | (150,343) | (152,565) |
| Administrative expenses | | (241,113) | (278,875) |
| Other operating expenses | | (38,381) | (36,968) |
| Operating profit/(loss) | 24 | 250,337 | (839,381) |
| Finance costs | 26 | (61,849) | (70,096) |
| Share of profits less losses of associates | 9 | (945) | (2,479) |
| Profit/(loss) before income tax | | 187,543 | (911,956) |
| Income tax expense | 27 | (19,828) | (48,377) |
| Profit/(loss) for the year | | 167,715 | (960,333) |
| Attributable to: | | | |
| Shareholders of the Company | 28 | 129,512 | (754,547) |
| Minority interests | | 38,203 | (205,786) |
| | | 167,715 | (960,333) |
| Earnings/(loss) per share for profit/(loss) attributable to the shareholders of the Company during the year (expressed in RMB per share) — basic | 29 | 0.07 | (0.39) |
| Dividend | 30 | — | 58,261 |

The notes on pages 75 to 140 are an integral part of these financial statements

Xing Daoqin
Chairman

Guo Mengquan
Director