

Consolidated Income Statement

For the year ended December 31, 2006

(All amounts in Renminbi thousands, except for earnings per share data)

	Note	2006	2005 Restated (Note 5)
Revenues from railroad businesses			
Passenger		2,841,045	2,511,156
Freight		624,839	588,310
		3,465,884	3,099,466
Revenues from other businesses		128,590	177,462
Total revenues		3,594,474	3,276,928
Operating expenses			
Railroad businesses			
Business tax		(98,567)	(86,565)
Labour and benefits	26	(718,035)	(597,254)
Equipment leases and services		(633,036)	(507,627)
Materials and supplies		(268,259)	(283,902)
Repair costs, excluding materials and supplies		(212,435)	(262,973)
Depreciation of fixed assets		(317,358)	(289,185)
Amortisation of leasehold land payments		(16,776)	(15,416)
Social services charges		(74,520)	(78,227)
Utility and office expenses		(102,949)	(109,719)
Others		(85,972)	(108,516)
		(2,527,907)	(2,339,384)
Other businesses			
Business tax		(4,885)	(10,493)
Labour and benefits	26	(65,710)	(58,761)
Materials and supplies		(83,072)	(103,249)
Depreciation of fixed assets		(2,529)	(2,773)
Amortisation of leasehold land payments		—	(165)
Utility and office expenses		(9,815)	(14,906)
		(166,011)	(190,347)
Total operating expenses		(2,693,918)	(2,529,731)
Other income, net		64,648	51,628
Profit from operations		965,204	798,825
Finance costs	27	(15,970)	(22,738)
Share of results of associates	11	(28,306)	(19,949)
Profit before income tax		920,928	756,138
Income tax expense	28	(149,155)	(110,176)
Profit for the year		771,773	645,962
Attributable to:			
Equity holders of the Company		771,513	646,960
Minority interests		260	(998)
		771,773	645,962
Dividends	31	566,683	520,266
Earnings per share for profit attributable to the equity holders of the Company during the year			
— Basic and diluted	30	RMB0.17	RMB0.15

The notes on pages 69 to 125 form an integral part of these consolidated financial statements.