

STATEMENT OF INCOME AND PROFITS APPROPRIATION (Under PRC GAAP)

| | NOTES | Year ended 31st December, | |
|---|-------|---------------------------|--------------------|
| | | 2000 | 1999 |
| | | RMB | RMB |
| Net revenue from principal operations | 26 | 4,780,580,876 | 4,069,515,058 |
| Less: Cost of principal operations | 27 | 1,958,324,058 | 1,678,311,200 |
| Sales taxes on principal operations | 28 | 76,380,272 | 68,040,058 |
| Income from principal operations | | 2,745,876,546 | 2,323,163,800 |
| Add: Income from other operations | 29 | 27,559,433 | 19,925,326 |
| Less: Operating expenses | 30 | 1,168,691,771 | 718,274,056 |
| Administrative expenses | | 554,130,939 | 543,357,891 |
| Financial expenses | 31 | (20,768,987) | (13,946,294) |
| Operating profit | | 1,071,382,256 | 1,095,403,473 |
| Add: Subsidies | 32 | 188,579 | 3,062,002 |
| Non-operating income | 33 | 2,996,491 | 81,119 |
| Less: Non-operating expenses | 34 | 14,777,978 | 3,670,602 |
| Profit before income taxes | | 1,059,789,348 | 1,094,875,992 |
| Less: Income taxes | 35 | 295,607,377 | 314,014,916 |
| Net profit | | 764,181,971 | 780,861,076 |
| Add: Unappropriated profits at the beginning of the year | | 905,808,130 | 473,476,216 |
| Profits available for appropriation | | 1,669,990,101 | 1,254,337,292 |
| Less: Appropriations to statutory common fund | 25 | 76,418,197 | 78,086,108 |
| Appropriations to common welfare fund | 25 | 38,209,099 | 39,043,054 |
| Profits available for appropriation to shareholders | | 1,555,362,805 | 1,137,208,130 |
| Less: Appropriation to discretionary surplus fund | | | |
| Dividends | 25 | 221,400,000 | 231,400,000 |
| Unappropriated profits at the end of the year | | <u>1,333,962,805</u> | <u>905,808,130</u> |

Notes are an integral part of the financial statements.

STATEMENT OF INCOME AND PROFITS APPROPRIATION (Under PRC GAAP) (Cont'd)

| Profit of the year | Return on shareholder's equity | | Earning per share | |
|--|--------------------------------|---------------------|-------------------|---------------------|
| | Dulited | Weighted Average | Dulited | Weighted Average |
| Income from principal operations | 0.40 | 0.41 | 1.06 | 1.06 |
| Operating profit | 0.16 | 0.16 | 0.41 | 0.41 |
| Net profit | 0.11 | 0.11 | 0.29 | 0.29 |
| Net profit deducted extraordinary income (or loss) | 0.11 | 0.12 | 0.30 | 0.30 |

Notes are an integral part of the financial statements.