

Statement of Income and Profit Appropriation

For the Year ended 31 December 2002 (Prepared in accordance with PRC GAAP and regulations)

Unit: RMB

Items	Notes	31 December 2002		31 December 2001	
		Group (As restated, see note 1)	Company (As restated, see note 1)	Group (As restated)	Company (As restated)
1. Revenue from principal operations	33	4,878,257,017	4,069,394,196	4,381,616,368	3,698,319,059
Less: Cost of sales	33	3,852,539,111	3,209,655,362	3,615,716,071	3,061,260,085
Sales tax		265,104	214,873	70,884	68,134
2. Profit from principal operations		1,025,452,802	859,523,961	765,829,413	636,990,840
Add: Other operating profit (loss)		16,612,542	(4,231,250)	19,930,301	9,098,660
Less: Distribution costs		791,497,880	764,887,134	1,126,262,303	1,070,577,944
Administrative expenses		59,899,332	(162,038,190)	911,607,048	597,308,928
Financial expenses	34	75,536,164	54,012,477	86,687,871	54,337,938
3. Operating profit (loss)		115,131,968	198,431,290	(1,338,797,508)	(1,076,135,310)
Add: Investment loss	35	(17,070,782)	(107,961,019)	(99,063,264)	(371,073,107)
Subsidy income		16,805	16,805	64,764	64,764
Non-operating income		9,941,494	1,584,742	21,529,992	13,826,125
Less: Non-operating expenses	36	4,099,764	866,017	73,282,675	14,759,354
4. Profit (loss) before taxation		103,919,721	91,205,801	(1,489,548,691)	(1,448,076,882)
Less: Income tax	37	3,031,454	–	–	–
Add: Minority interests		388,723	–	13,656,567	–
5. Net profit (loss)		101,276,990	91,205,801	(1,475,892,124)	(1,448,076,882)
Add: (Accumulated losses) retained earnings, beginning of year		(1,313,207,151)	(1,285,391,909)	162,684,973	162,684,973
6. Loss available for appropriation		(1,211,930,161)	(1,194,186,108)	(1,313,207,151)	(1,285,391,909)
Less: Appropriations to statutory common reserve fund		–	–	–	–
Appropriations to statutory common welfare fund		–	–	–	–
7. Loss available for appropriation to shareholders		(1,211,930,161)	(1,194,186,108)	(1,313,207,151)	(1,285,391,909)
Less: Appropriations to discretionary reserve		–	–	–	–
Dividends on ordinary shares		–	–	–	–
8. Accumulated losses, end of year		(1,211,930,161)	(1,194,186,108)	(1,313,207,151)	(1,285,391,909)

Supplemental information:

Item	2002		2001	
	Group	Company	Group	Company
1 Increase in total profit from accounting errors correction	–	–	79,680,965	107,496,207

The notes set out below constitute an integral part of the financial statements.