

## Profit and Loss Account

(Prepared under PRC accounting standards)

Year ended 31 December 2002

	Note V	2002 RMB	2001 RMB
Principal operating income	32	10,967,947,363	9,412,203,734
Less: Cost of sales	32	(9,239,349,293)	(8,085,316,362)
Taxes and surcharges		(84,773,481)	(74,161,622)
Profit from principal operating activities		1,643,824,589	1,252,725,750
Add: Other operating profit		9,526,955	15,649,180
Less: Selling expenses		(77,225,010)	(78,065,312)
Administrative expenses		(541,368,843)	(475,231,649)
Financial expenses		(78,642,503)	(130,935,613)
Operating profit		956,115,188	584,142,356
Add: Investment income	35	24,866,663	669,937
Subsidies income		–	2,927,383
Non-operating income		4,013,327	8,592,156
Less: Non-operating expenses		(489,108,428)	(304,831,434)
Profit before tax		495,886,750	291,500,398
Less: Tax		(93,986,852)	(87,982,011)
Net profit		401,899,898	203,518,387
Add: Retained profits at beginning of year		20,388,372	176,847,899
Less: Staff housing subsidies charged to retained profits	39	(72,779,744)	(84,567,947)
Loss from sale of staff quarters charged to opening retained profits	40	–	(105,600,289)
Profit available for distribution		349,508,526	190,198,050
Less: Transfers to statutory surplus reserve	30	(40,189,989)	(20,351,839)
Transfers to statutory public welfare fund	30	(40,189,989)	(20,351,839)
Profit available for distribution to shareholders		269,128,548	149,494,372
Less: Ordinary shares dividend payable	41	(225,935,500)	(129,106,000)
Retained profits at end of year		43,193,048	20,388,372

The accompanying notes form an integral part of the financial statements.

Company Representative:

**Gu Jianguo**

2 April 2003

Chief Accountant:

**Su Jianguo**

2 April 2003

Head of Accounting Department:

**Guan Yagang**

2 April 2003