

# Consolidated Income Statement and Profit Appropriation Statement

For the year ended 31 December 2003  
(Prepared under PRC Accounting Rules and Regulations)

	Note	2003 RMB'000	2002 RMB'000
<b>Income from principal operations</b>	24	<b>29,567,140</b>	22,322,896
Less: Cost of sales	24	<b>25,242,197</b>	18,743,107
Business taxes and surcharges	25	<b>624,457</b>	599,927
<b>Profit from principal operations</b>		<b>3,700,486</b>	2,979,862
Add: Profit from other operations		<b>82,795</b>	74,082
Less: Selling expenses		<b>444,703</b>	421,208
Administrative expenses		<b>1,193,327</b>	1,128,816
Financial expenses	26	<b>402,614</b>	407,403
<b>Income from operations</b>		<b>1,742,637</b>	1,096,517
Add: Investment income	27	<b>17,573</b>	58,368
Non-operating income		<b>19,376</b>	22,740
Less: Non-operating expenses	28	<b>202,984</b>	141,387
<b>Total profit</b>		<b>1,576,602</b>	1,036,238
Less: Income tax	15(a)	<b>147,436</b>	83,094
Minority interests		<b>43,610</b>	44,179
<b>Net profit</b>		<b>1,385,556</b>	908,965
<b>Add: Undistributed profits at the beginning of the year</b>		<b>1,300,452</b>	573,281
<b>Distributable profits</b>		<b>2,686,008</b>	1,482,246
Less: Transfer to statutory surplus reserve	23	<b>138,556</b>	90,897
Transfer to statutory public welfare fund	23	<b>138,556</b>	90,897
<b>Distributable profits to shareholders</b>		<b>2,408,896</b>	1,300,452
Less: Ordinary shares' final dividend	2,29(a)	<b>360,000</b>	-
<b>Undistributed profits at the end of the year</b> <b>(including dividend declared after the balance sheet date of</b> <b>RMB576,000,000 (2002:RMB 360,000,000))</b>		<b>2,048,896</b>	1,300,452

The notes to financial statements form part of these financial statements.