

## 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>27,931,028</b>	20,749,136
Less: Cost of sales	24	<b>24,167,489</b>	17,732,686
Business taxes and surcharges	25	<b>596,954</b>	570,037
<b>Profit from principal operations</b>		<b>3,166,585</b>	2,446,413
Add: Profit from other operations		<b>46,361</b>	58,891
Less: Selling expenses		<b>308,801</b>	279,817
Administrative expenses		<b>994,262</b>	898,843
Financial expenses	26	<b>371,810</b>	364,796
<b>Income from operations</b>		<b>1,538,073</b>	961,848
Add: Investment income	27	<b>135,905</b>	115,087
Non-operating income		<b>5,160</b>	1,168
Less: Non-operating expenses	28	<b>174,525</b>	116,335
<b>Total profit</b>		<b>1,504,613</b>	961,768
Less: Income tax	15(a)	<b>119,057</b>	52,803
<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 the financial statements form part of these financial statements.