

# Statement of Income and Profits Appropriations (under PRC GAAP)

For the year ended December 31, 2003

	NOTES	The Group		The Company	
		2003 RMB	2002 RMB	2003 RMB	2002 RMB
Revenue from principal operations	34	<b>8,665,232,204</b>	8,055,258,906	<b>8,665,232,204</b>	8,055,258,906
Less: Cost of principal operations	35	<b>4,014,696,200</b>	3,593,511,138	<b>4,014,947,339</b>	3,599,065,977
Sales taxes and surcharges	36	<b>124,018,200</b>	140,473,141	<b>124,018,200</b>	140,473,141
Profit from principal operations		<b>4,526,517,804</b>	4,321,274,627	<b>4,526,266,665</b>	4,315,719,788
Add: Profits from other operations	37	<b>43,020,336</b>	30,153,221	<b>39,238,342</b>	23,403,996
Less: Operating expenses	38	<b>1,659,074,791</b>	1,647,447,268	<b>1,658,240,768</b>	1,643,682,040
General and administrative expenses		<b>1,188,613,205</b>	1,134,279,470	<b>1,187,450,984</b>	1,133,135,406
Financial expenses	39	<b>41,370,419</b>	49,561,176	<b>41,388,488</b>	49,580,917
Operating profit		<b>1,680,479,725</b>	1,520,139,934	<b>1,678,424,767</b>	1,512,725,421
Add: Investment income	40/51(2)	<b>10,416,971</b>	3,687,968	<b>10,991,229</b>	7,059,098
Subsidy income	41	<b>8,194,472</b>	20,156,972	<b>8,194,472</b>	20,156,972
Non-operating income	42	<b>17,341,590</b>	8,573,766	<b>17,208,821</b>	8,573,766
Less: Non-operating expenses	43	<b>22,770,468</b>	21,844,181	<b>22,570,524</b>	21,833,000
Total profits		<b>1,693,662,290</b>	1,530,714,459	<b>1,692,248,765</b>	1,526,682,257
Less: Income taxes	44	<b>587,775,571</b>	524,534,221	<b>586,884,118</b>	523,566,759
Minority interest		<b>522,072</b>	3,064,740	-	-
Net profit		<b>1,105,364,647</b>	1,003,115,498	<b>1,105,364,647</b>	1,003,115,498
Add: Unappropriated profits at the beginning of the year	33	<b>1,751,708,336</b>	1,197,704,033	<b>1,751,872,206</b>	1,197,704,033
Profits available for appropriation		<b>2,857,072,983</b>	2,200,819,531	<b>2,857,236,853</b>	2,200,819,531
Less: Appropriations to statutory common reserve fund	33	<b>110,580,272</b>	100,393,485	<b>110,536,465</b>	100,311,550
Appropriations to statutory common welfare fund	33	<b>55,312,039</b>	50,237,710	<b>55,268,232</b>	50,155,775
Profits available for appropriation to shareholders		<b>2,691,180,672</b>	2,050,188,336	<b>2,691,432,156</b>	2,050,352,206
Less: Cash dividend proposed after the balance sheet date	32	<b>470,680,000</b>	298,480,000	<b>470,680,000</b>	298,480,000
Unappropriated profits at the end of the year		<b>2,220,500,672</b>	1,751,708,336	<b>2,220,752,156</b>	1,751,872,206

The accompanying notes are part of the financial statements.