

## Profit and Loss Accounts

For the year ended December 31, 2003

(In RMB Yuan)

Items	2003	2002	2003	2002
	Group	Group	Company	Company
<b>1. SALES REVENUE</b> (Note V-24) (Note VI-4)	<b>19,064,871,852</b>	12,319,139,488	<b>18,987,356,043</b>	12,221,905,890
Less: Cost of sales (Note V-25) (Note VI-5)	<b>(16,811,354,227)</b>	(11,074,404,199)	<b>(16,766,786,845)</b>	(10,999,275,434)
Sales tax and other levies (Note V-26)	<b>(663,823,149)</b>	(479,813,089)	<b>(663,823,149)</b>	(479,813,089)
<b>2. GROSS PROFIT ON SALES</b>	<b>1,589,694,476</b>	764,922,200	<b>1,556,746,049</b>	742,817,367
Add: Other operating (loss)/profit (Note V-27)	<b>(53,964,910)</b>	3,252,925	<b>(42,063,603)</b>	13,916,856
Less: Selling expenses	<b>(29,337,792)</b>	(34,932,224)	<b>(28,948,053)</b>	(32,242,641)
General and administrative expenses	<b>(563,514,425)</b>	(587,427,232)	<b>(539,454,031)</b>	(569,738,533)
Financial expenses, net (Note V-28)	<b>(464,994,136)</b>	(514,647,486)	<b>(459,490,497)</b>	(506,707,642)
<b>3. OPERATING PROFIT/(LOSS)</b>	<b>477,883,213</b>	(368,831,817)	<b>486,789,865</b>	(351,954,593)
Add: Investment loss (Note V-29) (Note VI-6)	<b>(4,337,039)</b>	(8,308,243)	<b>(12,691,049)</b>	(34,234,815)
Subsidy income	<b>502,000</b>	–	<b>502,000</b>	–
Non-operating income	<b>13,432,589</b>	7,721,827	<b>13,372,271</b>	7,101,470
Less: Non-operating expenses (Note V-30)	<b>(64,970,973)</b>	(661,617,796)	<b>(64,357,090)</b>	(647,029,736)
<b>4. TOTAL PROFIT/(LOSS)</b>	<b>422,509,790</b>	(1,031,036,029)	<b>423,615,997</b>	(1,026,117,674)
Less: Income tax (Note V-31)	<b>(270,108)</b>	(351,996)	–	–
Minority interests	<b>1,755,470</b>	5,655,464	–	–
<b>5. NET PROFIT/(LOSS)</b>	<b>423,995,152</b>	(1,025,732,561)	<b>423,615,997</b>	(1,026,117,674)

### Supplementary Information

	2003		2002	
	Group	Company	Group	Company
1. Income from sale and disposal of departments or investees	–	–	–	–
2. Loss from natural catastrophe	–	–	–	–
3. Increase in total profit resulting from change in accounting policies	–	–	–	–
4. Increase in total profit resulting from change in accounting estimates	–	–	–	–
5. Loss from debt restructuring	–	–	–	–
6. Other	–	–	–	–

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

Legal representative:  
**Yu Li**

General manager:  
**Shi Jian Xun**

Person in charge of  
accounting function:  
**Zhang Li Yan**

Person in charge of  
accounting department:  
**Liao Hong Wei**