

Statement of Income and Profit Appropriation

For the Year ended 31 December 2003 (Prepared in accordance with PRC GAAP and regulations)

Items	Notes	Year ended 31 December 2003		Year ended 31 December 2002	
		Group RMB	Company RMB	Group RMB	Company RMB
1. Revenue from principal operations	34	6,168,109,963	5,338,472,342	4,878,257,017	4,069,394,196
Less: Cost of sales	34	4,483,202,710	4,321,611,797	3,852,539,111	3,209,655,362
Sales tax		362,373	306,774	265,104	214,873
2. Profit from principal operations		1,684,544,880	1,016,553,771	1,025,452,802	859,523,961
Add: Other operating profit (loss)	35	48,399,942	5,345,511	16,612,542	(4,231,250)
Less: Distribution costs		1,002,390,964	832,122,148	791,497,880	764,887,134
Administrative expenses		364,897,076	91,675,644	59,899,332	(162,038,190)
Financial expenses	36	100,397,258	37,616,150	75,536,164	54,012,477
3. Operating profit		265,259,524	60,485,340	115,131,968	198,431,290
Add: Investment (loss) profit	37	(50,182,698)	132,529,717	(17,070,782)	(107,961,019)
Subsidy income		18,190	18,190	16,805	16,805
Non-operating income	38	10,402,787	7,196,799	9,941,494	1,584,742
Less: Non-operating expenses	39	5,494,299	2,339,401	4,099,764	866,017
4. Profit before taxation		220,003,504	197,890,645	103,919,721	91,205,801
Less: Income tax	40	11,676,111	–	3,031,454	–
Minority interests		6,147,145	–	(388,723)	–
5. Net profit		202,180,248	197,890,645	101,276,990	91,205,801
Add: Accumulated losses at the beginning of the year		(1,211,930,161)	(1,194,186,108)	(1,313,207,151)	(1,285,391,909)
Utilisation of capital reserve to make up accumulated losses	31	965,024,306	965,024,306	–	–
Utilisation of statutory common reserve to make up accumulated losses	32	229,161,802	229,161,802	–	–
6. Profit (loss) available for appropriation		184,436,195	197,890,645	(1,211,930,161)	(1,194,186,108)
Less: Appropriations to statutory common reserve fund		–	–	–	–
Appropriations to statutory common welfare fund		–	–	–	–
7. Profit (loss) available for appropriation to shareholders		184,436,195	197,890,645	(1,211,930,161)	(1,194,186,108)
Less: Appropriations to discretionary reserve		–	–	–	–
Dividends on ordinary shares		–	–	–	–
8. Unappropriated profits (accumulated losses) at the end of the year		184,436,195	197,890,645	(1,211,930,161)	(1,194,186,108)