

Items	Notes	Year ended	Year ended	Year ended	Year ended
		31 December 2004 Group RMB	31 December 2004 Company RMB	31 December 2003 Group RMB	31 December 2003 Company RMB
1. Revenue from principal operations	34	8,436,403,435	6,454,367,596	6,168,109,963	5,338,472,342
Less: Cost of sales	34	6,612,276,473	5,320,225,952	4,483,202,710	4,321,611,797
Sales tax		159,147	148,282	362,373	306,774
2. Profit from principal operations		1,823,967,815	1,133,993,362	1,684,544,880	1,016,553,771
Add: Other operating profit	35	42,986,073	(17,810,978)	48,399,942	5,345,511
Less: Distribution costs		1,206,454,256	988,273,731	1,002,390,964	832,122,148
Administrative expenses		522,860,315	227,518,210	364,897,076	91,675,644
Financial expenses	36	127,457,832	56,988,087	100,397,258	37,616,150
3. Operating profit		10,181,485	(156,597,644)	265,259,524	60,485,340
Add: Investment profit	37	(83,108,297)	60,512,937	(50,182,698)	132,529,717
Subsidy income	38	6,252,764	4,084,592	18,190	18,190
Non-operating income	39	4,281,343	1,989,626	10,402,787	7,196,799
Less: Non-operating expenses	40	5,940,955	2,614,755	5,494,299	2,339,401
4. Profit before taxation		(68,333,660)	(92,625,244)	220,003,504	197,890,645
Less: Income tax	41	6,282,249	–	11,676,111	–
Minority interests		(10,455,703)	–	6,147,145	–
5. Net profit		(64,160,206)	(92,625,244)	202,180,248	197,890,645
Add: Unappropriated profits at the beginning of the year		184,436,195	197,890,645	(1,211,930,161)	(1,194,186,108)
Utilisation of capital reserve to make up accumulated losses		–	–	965,024,306	965,024,306
Utilisation of surplus reserve to make up accumulated losses		–	–	229,161,802	229,161,802
6. Profit available for appropriation		120,275,989	105,265,401	184,436,195	197,890,645
Less: Appropriations to statutory common reserve fund		–	–	–	–
Appropriations to statutory common welfare fund		–	–	–	–
7. Profit available for appropriation to shareholders		120,275,989	105,265,401	184,436,195	197,890,645
Less: Appropriations to discretionary reserve		–	–	–	–
Dividends on ordinary shares		–	–	–	–
8. Unappropriated profits		120,275,989	105,265,401	184,436,195	197,890,645
Items	Notes	Year ended 31 December 2004 Group RMB	Year ended 31 December 2004 Company RMB	Year ended 31 December 2003 Group RMB	Year ended 31 December 2003 Company RMB
Profit from sale and disposal of departments or investee enterprises		894,917	(2,824,329)	(216,831)	–
Loss due to natural disaster		–	–	–	–
Increase (or decrease) in total profit from changes of accounting policy		–	–	–	–
Increase (or decrease) in total profit from change of accounting estimates		–	–	–	–
Loss from debt reconstruction		–	–	–	–
Others		–	–	–	–

Statement of Income and Profit Appropriation

Year ended 31 December 2004 (Prepared in accordance with PRC GAAP and regulations)