

INCOME STATEMENT

Appendix I

Interim financial report prepared under the PRC accounting standards

Unit: RMB

ITEM	Note	2003.1-6		2002.1-6	
		Holding Company	Group	Holding Company	Group
Sales		2,407,406,286.42	2,491,778,633.60	2,082,985,629.95	2,145,987,690.77
Less: sales allowance and discounts					
Net Sales		2,407,406,286.42	2,491,778,633.60	2,082,985,629.95	2,145,987,690.77
Less: Cost of sales		1,682,473,791.97	1,753,172,539.54	1,441,389,839.14	1,494,340,564.60
Sales Taxes		53,881,585.85	56,666,618.71	52,045,151.33	54,124,219.33
Gross profit		671,050,908.60	681,939,475.35	589,550,639.48	597,522,906.84
Add: Other operating income	6.29	6,858,943.24	14,068,449.06	19,866,467.44	17,453,397.68
Non-monetary transaction					
Sales expense					
General and administration expense		109,253,115.14	111,852,448.07	90,374,747.27	91,247,348.59
Financial expenses	6.30	58,770,255.92	58,756,874.42	93,195,690.90	93,058,044.84
Operating Profit		509,886,480.78	525,398,601.92	425,846,668.75	430,670,911.09
Add: Income on investment	6.31	15,469,527.93	1,641,412.82	-119,654,518.96	-123,705,027.84
Subsidies		-	990,000.00	-	744,500.00
Non-operating income	6.32	11,568,082.56	11,568,082.56	100,552.00	100,552.00
Less: Non-operating expense	6.33	447,297.34	472,297.34	821,855.16	824,355.16
Total Profit		536,476,793.93	539,125,799.95	305,470,846.63	306,986,580.09
Less: Income tax		79,945,281.16	80,797,694.01	56,037,009.81	56,528,353.87
Less: Minority interest			239,532.80		216,036.37
Net Profit		456,531,512.77	458,088,573.14	249,433,836.82	250,242,189.85

INCOME STATEMENT *(continued)*

ITEM	Note	2003.1-6		2002.1-6	
		Holding Company	Group	Holding Company	Group
Add: retained earnings carry forward from last year		523,116,498.20	520,867,538.79	398,432,178.07	397,765,020.31
Distributable profit		979,648,010.97	978,956,111.93	647,866,014.89	648,007,210.16
Deduct: transfer to statutory surplus reserve					
transfer to statutory public welfare reserve					
Staff welfare					
Distributable profit to shareholders		979,648,010.97	978,956,111.93	647,866,014.89	648,007,210.16
Deduct: dividends to preferred stock shareholders					
other general reserves					
dividends to common stock shareholders					
Retained earnings at the end of accounting period		979,648,010.97	978,956,111.93	647,866,014.89	648007210.2