

INCOME STATEMENT

Appendix I

Interim financial report prepared under the PRC accounting standards

Unit: RMB

ITEM	Note	2005.1-6		2004.1-6	
		Holding Company	Group	Holding Company	Group
Sales	6,27	3,962,261,734.96	4,295,715,847.88	2,966,352,065.05	3,124,699,504.41
Less: sales allowance and discounts					
Net Sales		3,962,261,734.96	4,295,715,847.88	2,966,352,065.05	3,124,699,504.41
Less: Cost of sales		2,104,873,028.25	2,275,831,169.74	1,754,802,165.01	1,863,846,993.39
Sales Taxes	6,28	86,393,134.98	93,040,305.76	67,501,534.43	71,062,862.27
Gross profit		1,770,995,571.73	1,926,844,372.38	1,144,048,365.61	1,189,789,648.75
Add: Other operating income	6,29	11,308,902.67	18,845,752.97	5,155,275.02	12,335,414.63
Non-monetary transaction					
Sales expense					
General and administration expense		103,051,153.72	110,962,877.45	104,690,398.90	109,897,254.87
Financial expenses	6,30	49,449,868.80	45,010,070.37	41,552,872.20	40,121,574.79
Operating Profit		1,629,803,451.88	1,789,717,177.53	1,002,960,369.53	1,052,106,233.72
Add: Income on investment	6,31	149,933,069.30	1,820,732.60	60,818,046.76	12,478,864.04
Subsidies	6,32	-	2,090,300.00	-	712,000.00
Non-operating income	6,33	80,505,580.23	80,507,180.23	92,700.00	92,700.00
Less: Non-operating expense	6,34	3,087,755.01	3,088,437.37	18,455,367.55	18,460,367.55
Total Profit		1,857,154,346.40	1,871,046,952.99	1,045,415,748.74	1,046,929,430.21
Less: Income tax		254,006,305.29	261,920,657.34	148,611,085.84	150,648,011.02
Less: Minority interest		-	1,569,671.80		553,917.85
Net Profit		1,603,148,041.11	1,607,556,623.85	896,804,662.90	895,727,501.34

INCOME STATEMENT *(continued)*

ITEM	Note	2005.1-6		2004.1-6	
		Holding Company	Group	Holding Company	Group
Add: retained earnings carry forward from last year		2,323,718,629.10	2,280,204,670.37	1,305,515,871.60	1,303,572,729.92
Distributable profit		3,926,866,670.21	3,887,761,294.22	2,202,320,534.50	2,199,300,231.26
Deduct: transfer to statutory surplus reserve					
transfer to statutory public welfare reserve					
Staff welfare					
Distributable profit to shareholders		3,926,866,670.21	3,887,761,294.22	2,202,320,534.50	2,199,300,231.26
Deduct: dividends to preferred stock shareholders					
other general reserves					
dividends to common stock shareholders		498,900,000.00	498,900,000.00	498,900,000.00	498,900,000.00
Retained earnings at the end of accounting period		3,427,966,670.21	3,388,861,294.22	1,703,420,534.50	1,700,400,231.26