

INCOME STATEMENT

For the year ended 31 December 2002

The financial statements prepared in accordance with the PRC Accounting Standards

	2002			2001	
ITEM	Notes	Holding Company	Group	Holding Company	Group
		Rmb	Rmb	Rmb	Rmb
Sales		4,200,489,136.23	4,325,795,872.79	4,029,976,504.04	4,029,976,504.04
Less: sales allowance and discounts					-
Net Sales		4,200,489,136.23	4,325,795,872.79	4,029,976,504.04	4,029,976,504.04
Less: Cost of sales		2,990,130,496.70	3,098,505,564.43	2,932,538,518.62	2,932,538,518.62
Sales Taxes		104,470,971.48	108,606,093.78	98,007,704.83	98,007,704.83
Gross profit		1,105,887,668.05	1,118,684,214.58	999,430,280.59	999,430,280.59
Add: Other operating income	6.30	31,548,281.01	25,379,838.86	41,528,382.95	41,528,382.95
Non-monetary transaction					-
Less:					-
Sales expense					-
General and administration expense		184,455,387.07	188,061,330.71	160,379,440.33	160,179,440.33
Financial expense	6.31	156,410,141.50	156,179,745.91	159,701,543.90	159,701,543.90
Operating Profit		796,570,420.49	799,822,976.82	720,877,679.31	721,077,679.31
Add: Income on investment	6.32	-111,926,219.79	-117,331,967.02	-272,042,252.98	-272,042,252.98
					-
Subsidies			3,561,000.00		-
Non-operating income	6.33	1,240,596.93	1,240,596.93	16,265,119.76	16,265,119.76
Less: Non-operating expense	6.34	3,728,360.11	3,730,910.11	1,175,251.06	1,175,251.06
Total Profit		682,156,437.52	683,561,696.62	463,925,295.03	464,125,295.03
Less: Income tax		110,551,037.37	111,327,707.13	112,828,016.06	112,828,016.06
Less: Minority interest			315,405.72		
Add: Unrecognized investment loss					
Net Profit		571,605,400.15	571,918,583.77	351,097,278.97	351,297,278.97

INCOME STATEMENT (Continued)

For the year ended 31 December 2002

The financial statements prepared in accordance with the PRC Accounting Standards

ITEM	Notes	2002		2001	
		Holding	Group	Holding Company	Group
		Company	Group	Company	Group
		Rmb	Rmb	Rmb	Rmb
Add:retained earnings carry forward from last year		398,432,178.07	397,765,020.31	266,354,354.90	266,354,354.90
Distributable profit		970,037,578.22	969,683,604.08	617,451,633.87	617,651,633.87
Deduct: transfer to statutory surplus reserve		57,160,540.01	58,423,863.53	35,109,727.90	35,687,833.07
transfer to statutory public welfare reserve		57,160,540.01	57,792,201.76	35,109,727.90	35,398,780.49
Distributable profit to shareholders		855,716,498.20	853,467,538.79	547,232,178.07	546,565,020.31
Deduct: dividends to preferred stock shareholders					
other general reserves					
dividends to common stock shareholders		332,600,000.00	332,600,000.00	148,800,000.00	148,800,000.00
Retained earnings at the end of accounting period		523,116,498.20	520,867,538.79	398,432,178.07	397,765,020.31