

Financial information of the Group for the year ended 31st December, 2000 prepared under PRC accounting standards and International Accounting Standards (“IAS”) is set out below:–

	Under PRC Accounting Standards	Under International Accounting Standards
<i>RMB millions</i>		
Loss before tax	(880)	(877)
Net loss (<i>note 1</i>)	(879)	(836)
Net profit before other loss (<i>note 2</i>)	15	66
Profit from principal operations	1,239	1,232
Operating loss	(922)	(274)
Profit from investment	37	37
Net cash inflow from operations	137	137
Net decrease in cash and cash equivalents	(18)	(18)

Notes

1. The differences between net loss calculated in accordance with IAS and PRC accounting standards are set out in note VIII to the financial statements prepared under PRC accounting standards.
2. Other loss under PRC accounting standards and IAS was approximately RMB894,788,000 and RMB902,413,000, respectively, which was primarily due to write-off of non-profit generating production lines for certain dyestuff, chemical fertilizers and other chemical products and related severance payment for redundant employees approved at a Board meeting held on 25th December, 2000.

Financial Highlights

Prepared under International Accounting Standards

<i>RMB millions</i>	For the year ended 31st December				
	2000	1999	1998	1997	1996
Turnover	13,396	10,555	8,844	8,631	7,676
Net (loss)/profit	(836)	149	66	100	312
Total assets	17,974	16,054	15,768	15,458	15,097
Total liabilities	12,042	9,855	9,701	9,427	9,079
Shareholders' equity	5,874	6,199	6,051	6,015	6,003
Net assets per share	RMB1.65	RMB1.81	RMB1.77	RMB1.76	RMB1.76
Earnings/(loss) per share (weighted average)	RMB(0.24)	RMB0.04	RMB0.02	RMB0.03	RMB0.09
Return on net assets (weighted average)	(13.89%)	2.44%	1.09%	1.66%	5.19%

Prepared under PRC Accounting Standards

<i>RMB millions</i>	For the year ended 31st December				
	2000	1999	1998	1997	1996
Income from principal operations	13,847	10,980	9,222	8,966	8,061
Net (loss)/profit	(879)	153	62	93	249
Total assets	17,711	15,860	15,649	15,351	14,929
Shareholders' equity (excluding minority interests)	5,687	6,073	5,977	5,945	5,942
Earnings per share (fully diluted)	(RMB0.25)	RMB0.04	RMB0.02	RMB0.03	RMB0.07
Earnings per share (weighted average)	(RMB0.25)	RMB0.04	RMB0.02	RMB0.03	RMB0.07
Net assets per share	RMB1.6	RMB1.79	RMB1.75	RMB1.74	RMB1.74
Adjusted net assets per share	RMB1.5	RMB1.73	RMB1.67	RMB1.68	RMB1.65
Net cash flows from operation activities per share	(RMB0.04)	RMB0.17	RMB0.38	RMB0.29	N/A
Return on net assets (fully diluted)	(15.66%)	2.45%	1.04%	1.56%	4.19%
Return on net assets (weighted average)	(14.58%)	2.47%	1.04%	1.56%	4.28%

Financial Highlights

Notes:

1. The number of shares outstanding for each of the four years ended 31st December, 2000, 1999, 1998, 1997, was 3,561,078,000 shares, 3,411,078,000 shares, 3,411,078,000 shares and 3,411,078,000 shares, respectively.
2. The weighted average number of shares for the year ended 31st December, 2000 was 3,551,025,000 shares.
3. The weighted average number of shares for each of the three years ended 31st December, 1999, 1998 and 1997 was calculated on the basis of 3,440,761,201 shares outstanding as at 31st December, 1996 which was adjusted to reflect the bonus element of the issuance of additional A shares in January 2000.

The weighted average number of shares for the year ended 31st December, 1996 was 3,403,968,795 shares, calculated on the basis of 3,361,078,000 shares outstanding as at 31st December, 1995 and 50,000,000 A shares issued on 24th September, 1996 and adjusted to reflect the bonus element of the issuance of additional A shares in January 2000.

4. The calculation formulae for fully diluted financial items prepared under PRC accounting standards are as follows:
 - a. Earnings per share = Net profit/shares outstanding at the end of the year
 - b. Net assets per share = Shareholders' equity at the end of the year/shares outstanding at the end of the year
 - c. Return on net assets = Net profit/shareholders' equity at the end of the year x 100%
 - d. Adjusted net assets Per share = Shareholders' equity at the end of the year
 - trade debtors aged more than three years
 - deferred expenses
 - net loss of assets pending disposal
 - pre-operating expenses
 - long-term deferred expenses
 - debit balance of housing fund)/shares outstanding at the end of the year
 - e. Net cash flow from operating activities per share = Net cash flow from operating activities/shares outstanding at the end of the year
5. The calculation formulae for weighted average financial items prepared under PRC accounting standards are as follows:
 - a. Earnings per share = Net profit/weighted average number of shares for the year
 - b. Return on net assets = Net profit/(shareholders' equity at the beginning of the year + shareholders' equity at the end of the year)/2 x100%
6. The Company did not prepare a cash flow statement in 1996.

Profit information prepared under No. 9 Preparation Regulations of Information Announcement for Public Listed Companies Issued by the China Securities Regulatory Commission

Profit in the report period	Return on net assets %		Earnings per share (RMB)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Income from principal operations	21.61%	20.17%	0.3454	0.3466
Operating loss	(16.37%)	(15.28%)	(0.2617)	(0.2626)
Net loss	(15.66%)	(14.58%)	(0.2494)	(0.2502)
Net profit/(loss) after non-operating loss	0.26%	0.26%	0.0042	0.0042

Notes:

1. The calculation formulae for fully diluted financial items prepared under PRC accounting standards are as follows:

- a. Return on net assets = net profit/net assets X 100%
- b. Earnings = net profit/shares outstanding at the end of the year

2. The calculation formulae for weighted average financial items under PRC accounting standards are as follows:

a Return on net assets = $\frac{P}{E_0 + NP \div 2 + E_i \times \frac{M_i + M_0}{M_0} - E_j \times \frac{M_j + M_0}{M_0}}$

P represents the profit in the report period; NP represents the net profit in the report period; E₀ represents net asset at the beginning of the report period; E_i represents the additional net assets from issue of new shares or convertible bonds in the report period; E_j represents loss of net assets resulting from acquisition or bonus in the report period; M₀ represents the number of months in the report period; M_i represents the number of months from the next month of additional net assets to the end of report period; M_j represents the number of months from the next month of loss of net assets to the end of report period

b Earning per share = $\frac{P}{S_0 + S_1 + S_2 \times \frac{M_1 + M_0}{M_0} - S_3 \times \frac{M_3 + M_0}{M_0}}$

P represents profit in the report period; S₀ represents total shares at the beginning of the report period; S₁ represents the additional shares transferred from common reserve or distribution of dividends; S₂ represents the additional shares resulting from new issue of shares or debt-equity issue in the report period; S₃ represents the loss of shares resulting from share repurchase or reduction in share capital; M₀ represents the number of months during the report period; M₁ represents the number of months from the next month of addition of shares to the end of report period; M₃ represents the number of months from the next month of loss of shares to the end of the report period.

Financial Highlights

During the year ended 31st December, 2000, changes in shareholders' equity of the Group under PRC accounting standards were as follows:

	Share capital <i>RMB</i>	Capital surplus <i>RMB</i>	Surplus reserves <i>RMB</i>	Retained profits <i>RMB</i>	Total shareholders' equity <i>RMB</i>
As at 1st January, 2000	3,411,078,000	1,950,731,988	695,920,990	15,104,355	6,072,835,333
Increase during 2000	150,000,000	343,926,898	321,009	(878,766,153)	(384,518,246)
Decrease during 2000	–	(520,000)	–	(551,863)	(1,071,863)
As at 31st December, 2000	<u>3,561,078,000</u>	<u>2,294,138,886</u>	<u>696,241,999</u>	<u>(864,213,661)</u>	<u>5,687,245,224</u>

In 2000, the increase in the capital surplus of RMB335,518,000 and RMB8,408,898 represented premium on share issuance and transfer to reserve in respect of deferred staff costs, respectively; the decrease in capital surplus of RMB520,000 represented a release of interest income relating to unsuccessful applicants in respect of the new shares issued in 1996.

In 2000, the increase in statutory surplus reserves was based on appropriations from net profit after taxation by one of the Company's subsidiaries. Jilin Winsway Chemical Industrial Store and Transport Limited, to the statutory surplus reserves, of which RMB321,009 was attributable to the Group.

The decrease in retained profit of RMB878,766,153 was attributable to net loss generated during the year.