

Profit (Loss) Statement

(Prepared in accordance with PRC Accounting Rules and Regulations)(For the year ended 31st December, 2000)

| Items | Note(5) | 2000 | | 1999 | |
|---|---------|---------------------|-----------------|---------------------|-----------------|
| | | Consolidated RMB | Company RMB | Consolidated RMB | Company RMB |
| 1. | | | | | |
| Income from principal activities | | 1,224,434,400.19 | 32,379,716.88 | 1,430,390,641.25 | 754,096,556.03 |
| Less: discount | | 594,895.38 | — | 2,720,906.52 | 792,064.57 |
| Income from, principal activities, net | 28 | 1,223,839,504.81 | 32,379,716.88 | 1,427,669,734.73 | 753,304,491.46 |
| Less: principal operating cost | 28 | 1,120,066,764.72 | 35,112,423.30 | 1,337,914,579.44 | 727,356,783.70 |
| principal business taxes and surcharges | | 1,561,841.23 | 143,154.44 | 7,252,717.84 | 6,331,734.27 |
| 2. | | | | | |
| Profit from principal activities | | 102,210,898.86 | (2,875,860.86) | 82,502,437.45 | 19,615,973.49 |
| Add: other operating profit | | 5,762,184.79 | 1,236,960.71 | 2,658,813.49 | (647,368.19) |
| Less: loss arising from provision for devaluation of stocks | | (31,546,780.13) | (759,095.22) | 4,619,343.39 | (27,637,333.10) |
| sales expenses | | 72,394,212.87 | 2,494,717.23 | 146,053,402.52 | 55,428,830.73 |
| administrative expenses | | 121,907,561.14 | 37,128,048.68 | (5,297,961.30) | (90,600,173.92) |
| financial expenses | 29 | 54,531,051.92 | 25,795,455.30 | 65,950,196.94 | 56,981,921.49 |
| 3. | | | | | |
| Operating profit | | (109,312,962.15) | (66,298,026.14) | (126,163,730.61) | 24,795,360.10 |
| Add: profit and loss from investment | 30 | 241,289,953.71 | 211,294,566.46 | 160,184,073.14 | 8,776,568.98 |
| subsidy income | | 255,824.62 | — | 609,800.00 | — |
| non-operating income | 31 | 8,919,810.05 | 3,146,401.74 | 5,229,337.34 | 3,839,892.72 |
| Less: non-operating expenses | | 3,035,690.34 | 816,810.30 | 2,778,779.79 | 2,286,551.62 |
| 4. | | | | | |
| Total profit | | 138,116,935.89 | 147,326,131.76 | 37,080,700.08 | 35,125,270.18 |
| Less: income tax | | 3,131,673.83 | — | 140,165.26 | — |
| minority interests | | 2,161,848.10 | — | (17,305,757.83) | — |
| 5. | | | | | |
| Net profit | | 132,823,413.96 | 147,326,131.76 | 54,246,292.65 | 35,125,270.18 |

(The accompanying notes form an integral part for these financial statements.)