

1. **Details of the Group's results for the year ended 31 December 2000 (Extracted from the accounts prepared in accordance with PRC Accounting Rules and Regulations) are set out as follows:**

(Expressed in Rmb'000)

Total profit	985,493
Net profit	840,228
Net profit before non-operating loss	915,998
Non-operating loss	
Loss on disposal of fixed assets	(75,770)
Profit from principal operations	1,840,860
Loss from other operations	(11,356)
Operating profit	1,079,493
Income from investments	4,182
Net non-operating expenses	(98,182)
Net cash flow from operating activities	2,112,533
Net increase in cash and cash equivalents	193,352

2. **Principal financial data and financial indicators of the Group:**

- 2.1 **Extracted from the accounts prepared in accordance with International Accounting Standards ("IAS")**

	For the year ended 31 December or as at 31 December				
	2000	1999	1998	1997	1996
	Rmb'000	Rmb '000	Rmb '000	Rmb '000	Rmb '000
Turnover	9,014,472	7,075,579	5,633,522	6,254,742	6,999,118
Profit/(Loss) from ordinary activities before taxation	985,493	921,454*	(161,397)*	68,979*	243,177
Income tax expense	139,391	129,211	1,111	15,508	25,232
Minority interests	5,874	15,176	6,717	3,669	2,295
Profit/(Loss) attributable to shareholders	840,228	777,067*	(169,225)*	(60,198)*	215,650
Total assets	11,368,442	11,509,922*	11,974,121*	12,859,227*	13,428,583
Total liabilities	2,233,757	2,775,946*	4,023,844	4,748,742	5,254,734
Shareholders' funds (excluding minority interests)	9,078,433	8,678,205*	7,901,138*	8,070,363*	8,130,561
Minority interests	56,252	55,771	49,139	40,122	43,288
Earnings/(Loss) per share (basic)	Rmb0.210	Rmb0.194*	Rmb(0.042)*	Rmb(0.015)*	Rmb0.054
Net assets per share	Rmb2.270	Rmb2.170*	Rmb1.975*	Rmb2.018*	Rmb2.043
Ratio of shareholders' funds	79.86%	75.40%*	65.99%*	62.76%*	60.55%
Return on net assets	9.26%	8.95%*	(2.14%)*	(0.75%)*	2.65%

* These figures have been adjusted as a result of the changes in accounting policy for proposed dividend in order to comply with IAS 10 (revised 1999), and also for deferred asset in order to comply with IAS 38.

2.2 Extracted from the accounts prepared in accordance with PRC Accounting Rules and Regulations

	For the year ended 31 December or as at 31 December				
	2000	1999	1998	1997	1996
	Rmb '000	Rmb '000	Rmb '000	Rmb '000	Rmb '000
Income from principal operations	9,014,472	7,075,579	5,633,522	6,254,742	6,999,118
Profit from principal operations	1,840,860	1,788,717	659,848	747,119	880,009
(Loss)/Profit from other operations	(11,356)	(14,925)	510	450	(12,699)
Operating profit/(loss)	1,079,493	1,050,758	(284,585)	(27,614)	190,791
Income from investments	4,182	3,043	49,327	59,598	2,390
Non-operating (expenses)/income, net	(98,182)	(147,567)	6,861	952	(8,047)
Total profit/(loss)	985,493	906,234	(228,397)	32,936	185,134
Income tax	139,391	136,372	(4,216)	24,724	31,148
Profit attributable to minority					
shareholders	5,874	15,176	6,717	3,669	2,295
Net profit/(loss)	840,228	754,686	(230,898)	4,543	151,691
Total assets	11,361,088	11,502,568	11,979,890	12,889,209	13,558,230
Total liabilities	2,483,757	3,105,946	3,904,586	4,592,024	5,262,422
Shareholders' funds (excluding					
minority interests)	8,821,079	8,340,851	8,026,165	8,257,063	8,252,520
Minority interests	56,252	55,771	49,139	40,122	43,288
Earnings/(Loss) per share (weighted					
average and fully diluted)					
– Profit from principal operations	Rmb0.460	Rmb0.447	Rmb0.165	Rmb0.187	Rmb0.220
– Operating profit/(loss)	Rmb0.270	Rmb0.263	Rmb(0.071)	Rmb(0.007)	Rmb0.048
– Net profit/(loss)	Rmb0.210	Rmb0.189	Rmb(0.058)	Rmb0.001	Rmb0.038
– Net profit/(loss) before					
non-operating loss	Rmb0.229	Rmb0.235	Rmb(0.058)	Rmb0.001	Rmb0.038
Ratio of shareholders' funds	77.64%	72.51%	67.00%	64.06%	60.87%
Return on net assets (fully diluted)					
– Profit from principal operations	20.87%	21.45%	8.22%	9.05%	10.66%
– Operating profit/(loss)	12.24%	12.60%	(3.55%)	(0.33%)	2.31%
– Net profit/(loss)	9.53%	9.05%	(2.88%)	0.06%	1.84%
– Net profit/(loss) before					
non-operating loss	10.38%	11.26%	(2.88%)	0.06%	1.84%
Return on net assets (weighted					
average)					
– Profit from principal operations	21.01%	21.29%	8.10%	9.05%	10.51%
– Operating profit/(loss)	12.32%	12.50%	(3.50%)	(0.33%)	2.28%
– Net profit/(loss)	9.59%	8.98%	(2.84%)	0.06%	1.81%
– Net profit/(loss) before					
non-operating loss	10.46%	11.18%	(2.84%)	0.06%	1.81%
Net assets per share	Rmb2.205	Rmb2.085	Rmb2.007	Rmb2.064	Rmb2.063
Adjusted net assets per share	Rmb2.154	Rmb2.047	Rmb1.960	Rmb1.989	Rmb2.011
Net cash inflow from					
operating activities per share	Rmb0.528	Rmb0.500	Rmb0.305	-	-

YIZHENG IS WEAVING A GLOBAL NETWORK

2.2 *Extracted from the accounts prepared in accordance with PRC Accounting Rules and Regulations (continued)*

Notes:

- (1) The Company did not prepare cash flow statements in or before 1997.
- (2) Formulas of principal financial indicators:
Earnings/(loss) per share = Net profit/(loss) ÷ Total number of ordinary shares at the end of the year

Net assets per share = Shareholders' funds at the end of the year ÷ Total number of ordinary shares at the end of the year

Return on net assets = Net profit/(loss) ÷ Shareholder's funds at the end of the year x 100%

Adjusted net assets per share = (Shareholders' funds at the end of the year –* accounts receivables of more than 3 years – deferred expenses – net losses of current or fixed assets to be disposed of – pre-operating expenses – long-term deferred expenses – debit balance of housing revolving funds) ÷ Total number of ordinary shares at the end of the year

* Accounts receivables includes trade receivables, other receivables, advance payments, dividend receivables, interest receivables and subsidy receivables

Net cash inflow from operating activities per share = Net cash inflow from operating activities ÷ Total number of ordinary shares at the end of the year

The formulas of the Group's return on net assets and earnings per share, prepared in accordance with "Information Disclosure Rule No.9 for Companies which Issued Securities Publicly – Calculation and Disclosure of Return on Net Assets and Earnings Per Share" issued by the CSRC, are set out as follows:

Fully diluted return on net assets = Net profit for the report period ÷ Net assets at the end of the report period

Weighted average return on net assets =
$$\frac{P}{E0 + NP \div 2 + Ei \times Mi \div M0 - Ej \times Mj \div M0}$$

P means the profit for the report period;

NP means the net profit for the report period;

E0 means the net assets at the beginning of the report period;

Ei means the increase of net assets by issue of new shares or by converting debts to equity, etc. during the report period;

Ej means the decrease of net assets by repurchase of share capital or by cash dividend payment, etc. during the report period;

M0 means the number of months during the report period;

Mi means the number of months from the next month of increase in net assets to the end of the report period;

Mj means the number of months from the next month of decrease in net assets to the end of the report period.



2.2 Extracted from the accounts prepared in accordance with PRC Accounting Rules and Regulations (continued)

Fully diluted earnings per share = Net profit for the report period ÷ Total number of shares at the end of the report period

$$\text{Weighted average earnings per share} = \frac{P}{S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0}$$

P means the profit for the report period;

S₀ means the total number of shares at the beginning of the report period;

S₁ means the number of shares increased by capitalisation of the surplus reserves or bonus issue, etc. during the report period;

S_i means the number of shares increased by the issue of new shares or by converting debts to equity, etc.;

S_j means the number of shares decreased by repurchase or reduction of share capital, etc.;

M₀ means the number of months during the report period;

M_i means the number of months from the next month of increase in net assets to the end of the report period;

M_j means the number of months from the next month of decrease in net assets to the end of the report period.

3. Changes in shareholders' funds during the report period (Extracted from the accounts prepared in accordance with PRC Accounting Rules and Regulations)

Item	Share Capital (Rmb'000)	Capital Reserve (Rmb'000)	Surplus Reserve** (Rmb'000)	Statutory Public Welfare Fund* (Rmb'000)	Undistributed Profits*** (Rmb'000)	Total (Rmb'000)
At the beginning of the year	4,000,000	3,078,825	1,117,032	183,230	144,944	8,340,851
Increase in the year	-	-	174,270	84,236	840,228	1,014,498
Decrease in the year	-	-	-	-	(534,270)	(534,270)
At the end of the year	4,000,000	3,078,825	1,291,302	267,466	450,952	8,821,079

* The statutory public welfare fund forms part of the surplus reserve.

** Change in the surplus reserve during the report period represents the transfer of Rmb174,270,000 from the income statement.

*** Changes in undistributed profits represent the Group's net profit of Rmb840,228,000, offset by the transfer of Rmb174,270,000 to surplus reserves and the proposed final dividend of Rmb360,000,000 during the report period.

4. Explanations for the significant differences between the Accounts of the Group and the Company prepared in accordance with the PRC Accounting Rules and Regulations and IAS are set out on page 135 of this annual report.

WEAVING A GLOBAL NETWORK
YIZHENG IS