

# Financial Statement

## Profit and Loss account and profits distribution

(Prepared under PRC accounting standards)

For the year ended 31 December 2000

Unit: Rmb

Item	Note	The Group 2000 (Accumulated)	The Group 1999 (Accumulated)	The Company 2000 (Accumulated)	The Company 1999 (Accumulated)
1. Income from major operations		442,056,008.94	459,833,890.31	395,675,286.63	427,225,548.48
less: operating cost		(292,287,598.44)	(297,434,069.24)	(263,003,393.92)	(278,964,525.11)
sales tax and surcharge		(3,022,808.67)	(4,024,833.21)	(2,655,094.20)	(3,609,693.13)
2. Profit from major operations		146,745,601.83	158,374,987.86	130,016,798.51	144,651,330.24
add: profit from other operations	32	1,603,124.02	1,639,663.49	1,790,910.82	1,887,655.15
less: Diminution in value of inventories	33	6,933,395.93	(2,729,124.69)	6,936,533.00	(1,021,285.27)
selling expenses		(24,598,556.97)	(22,157,946.40)	(20,191,979.39)	(18,457,770.51)
administrative expenses		(70,617,803.02)	(77,003,189.01)	(56,574,688.77)	(65,211,715.70)
financial expenses	34	1,582,455.56	2,572,295.46	3,764,753.38	3,871,472.44
3. Operating profit		61,648,217.35	60,696,686.71	65,742,327.55	65,719,686.35
add: investment income	35	—	630,815.12	(3,163,041.45)	(2,524,546.71)
non-operating income		94,712.05	258,397.08	28,262.53	60,200.89
less: non-operating expenses		(3,195,809.95)	(1,171,835.90)	(2,363,281.95)	(1,013,657.18)
4. Total profits		58,547,119.45	60,414,063.01	60,244,266.68	62,241,683.35
less: income tax	36	(8,646,937.85)	(13,262,898.19)	(8,622,116.34)	(13,232,949.26)
add: minority interests		1,523,079.11	1,697,192.93	—	—
5. Net profit for the year		51,423,260.71	48,848,357.75	51,622,150.34	49,008,734.09
add: retained profits brought forward	31	78,237,704.01	71,191,093.10	78,495,145.33	71,288,158.08
Retained profit at the beginning of the year	31	(32,546,322.14)	—	(32,546,322.14)	—
Adjusted retained profit at the beginning of the year	31	45,691,381.87	71,191,093.10	45,948,823.19	71,288,158.08
6. Distributable profits		97,114,642.58	120,039,450.85	97,570,973.53	120,296,892.17
less: statutory surplus reserve	31	(5,167,467.18)	(4,900,873.42)	(5,162,215.03)	(4,900,873.42)

	statutory public welfare fund	31	(5,167,467.18)	(4,900,873.42)	(5,162,215.03)	(4,900,873.42)
7.	Profits distributable to Shareholders		86,779,708.22	110,237,704.01	87,246,543.47	110,495,145.33
	less: ordinary share dividend payable	31	(40,000,000.00)	(32,000,000.00)	(40,000,000.00)	(32,000,000.00)
8.	Retained profits carried forward		46,779,708.22	78,237,704.01	47,246,543.47	78,495,145.33

The notes form an integral part of the financial statements.