

Analysis of items of Accounts Prepared Under PRC Accounting Regulations with Movements more than 30%

1. Selling expense increased by 44% over last year. It is mainly because the increase in sales staff bonus and fee paid to CLFG for the use of sales networks.
2. Net financial expense decreased by 49% is mainly due to the disposal of Taiyang in November 1999. It saved Rmb 22,000,000 in 2000.
3. The decrease in the investment income by 126% as compared to last year is mainly because the Group had income of RMB44,649,000 from the disposal of Taiyang in last year.
4. The non-operating expense was decreased by 86% as there was a provision for bad debt of Rmb 77,770,000 written back on the disposal of Taiyang. This is no written back of provision in the current year.
5. Non-operating expense was decreased by 31% as compared to last year. It is mainly because the amount of loss on disposal of fixed asset was lower than last year.
6. The increase in inventories by 47% is because the market was being improved in the current year and the Production Lines of the Group were at their golden age of production. The Group have produced more glass to meet the demand.
7. The interest receivable including in non-current assets decreased by 67% over last year. It is mainly because Taiyang repaid part of the interest during the year.
8. The increase in long-term equity investments by 48% is mainly because the Group acquire three long term investments in current year amounting of RMB 62,035,000.
9. Trade creditor decreased by 35% over last year. It is mainly because the Supplier of raw materials has shortened the credit term in response to the shortage in supply of raw materials.
10. Other payable decreased by 86% over last year. It is mainly due to repayment in current year
11. The decrease in accrued expenses by 65% is mainly because the provision for repair and maintainence is utilised by overhaul of No.3 production line.