

**CONSOLIDATED INCOME STATEMENT****(Prepared in accordance with Generally Accepted Accounting Principles in Hong Kong)***For the year ended 31st December, 2000 (Expressed in thousands of RMB except for per share data)*

	Note(s)	2000	1999 (Note 28)
Turnover	3,4	<b>3,448,264</b>	2,253,159
Cost of sales	3	<b>(2,245,393)</b>	(1,464,921)
Gross profit		<b>1,202,871</b>	788,238
Other revenues, net		<b>30,730</b>	2,853
Distribution and selling expenses		<b>(675,384)</b>	(434,498)
General and administrative expenses		<b>(351,355)</b>	(228,493)
Profit from operations		<b>206,862</b>	128,100
Finance income		<b>17,431</b>	9,844
Finance costs		<b>(111,329)</b>	(63,956)
Share of profit (loss) of an associated company		<b>704</b>	(1,195)
Profit before taxation	5	<b>113,668</b>	72,793
Taxation	6	<b>(33,653)</b>	(28,904)
Profit before minority interests		<b>80,015</b>	43,889
Minority interests		<b>(18,024)</b>	(3,230)
Profit attributable to shareholders	7	<b>61,991</b>	40,659
Transfer to reserves	22	<b>(27,076)</b>	(25,016)
(Accumulated deficit) Unappropriated profit brought forward		<b>(28,879)</b>	45,478
Profit available for distribution		<b>6,036</b>	61,121
Dividends	8	<b>(100,000)</b>	(90,000)
Accumulated deficit carried forward	22	<b>(93,964)</b>	(28,879)
Earnings per share-Basic	9	<b>RMB 0.069</b>	RMB 0.045

**CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES**

(Prepared in accordance with Generally Accepted Accounting Principles in Hong Kong)

For the year ended 31st December, 2000 (Expressed in thousands of RMB)

	<u>Note</u>	<u>2000</u>	<u>1999</u>
Profit attributable to shareholders		<b>61,991</b>	40,659
Translation difference for the year		<u>(9)</u>	<u>—</u>
Total recognised gains		<b>61,982</b>	40,659
Capital reserve arising from acquisition of subsidiaries and additional investment in subsidiaries	22	—	161
Decrease in capital reserve arising from adjustment in net asset value of a subsidiary acquired in the prior year	22	<u>—</u>	<u>(13,935)</u>
		<u><b>61,982</b></u>	<u>26,885</u>