

Profit and Loss Account

(Prepared in accordance with the PRC Accounting Rules and Regulations)

FOR THE YEAR ENDED 31ST DECEMBER 2000

ITEMS	<i>In Rmb</i>			
	Group 2000	Group 1999	Company 2000	Company 1999
SALES REVENUE	1,808,124,899	803,585,025	798,128,529	573,819,291
Less: Sales discounts and allowances				
NET SALES	1,808,124,899	803,585,025	798,128,529	573,819,291
Less: Cost of sales	(1,444,004,299)	(626,833,942)	(646,674,180)	(450,493,890)
Sales tax	(1,710,721)	(1,099,827)		
GROSS PROFIT ON SALES	362,409,879	175,651,256	151,454,349	123,325,401
Add: Other operating income (note 25)	8,014,670	23,474,413	4,578,759	21,852,313
Less: Provision for loss on realization of inventories	(3,215,763)		(2,600,000)	
Selling expenses	(52,825,873)	(19,653,702)	(16,263,898)	(13,572,061)
General and administrative expenses	(160,787,922)	(74,995,852)	(67,051,668)	(58,203,978)
Financial expenses (note 26)	(16,833,921)	(18,366,425)	(9,180,172)	(15,557,075)
OPERATING PROFIT	136,761,070	86,109,690	60,937,370	57,844,600
Add: Investment income (note 27)	11,169,457	4,733,192	83,558,708	33,041,192
Subsidy income (note 28)	622,479	4,500,000	2,479	4,500,000
Non-operating income	373,335	4,211,676	79,749	1,903,107
Less: Non-operating expenses	(2,766,408)	(2,069,563)	(2,090,164)	(1,954,207)
TOTAL PROFIT	146,159,933	97,484,995	142,488,142	95,334,692
Less: Income tax	(9,944,128)	(8,354,993)	(9,176,882)	(6,814,933)
Minority interests	(2,283,189)	(532,000)		
NET PROFIT	133,932,616	88,598,002	133,311,260	88,519,759

The accompanying notes form an integral part of these financial statements