

XI. FINANCIAL REPORT

1. Financial reports prepared in conformity with PRC accounting standards (Unaudited)

Profit and loss account and profit distribution

Items	Group			Company		
	Six months ended 30 June 2001	Six months ended 30 June 2000	The year ended 31 December 2000	Six months ended 30 June 2001	Six months ended 30 June 2000	The year ended 31 December 2000
I. Income from principal operations	571,963,969.32	553,211,576.91	1,044,072,798.76	566,903,360.35	548,701,880.53	1,036,321,498.73
Less: Cost of sales	396,949,260.37	395,434,580.57	734,998,291.82	393,486,947.24	391,920,232.63	729,267,954.45
Sales tax and extra charges	3,442,574.88	3,719,170.60	6,830,368.63	3,427,035.16	3,699,430.17	6,784,444.58
II. Profit from principal operations	171,572,134.07	154,057,825.74	302,244,138.31	169,989,377.95	153,082,217.73	300,269,099.70
Add: Profit from other operations	2,773,747.10	513,914.95	1,972,534.35	2,773,747.10	513,914.95	1,972,534.35
Less: Selling expenses	66,599,365.29	54,565,536.94	109,892,641.12	65,757,720.77	54,351,296.69	109,280,196.04
General and administrative expenses	44,799,378.16	41,981,376.45	98,780,714.31	44,522,517.39	41,815,839.34	98,240,297.63
Financial expenses	2,415,074.67	4,771,252.78	9,045,939.49	2,423,199.56	4,776,944.60	9,069,265.68
III. Operating profit	60,532,063.05	53,253,574.52	86,497,377.74	60,059,687.33	52,652,052.05	85,651,874.70
Add: Investment income	330,000.00	—	604,000.00	588,829.32	354,657.66	1,088,623.62
Non-operating income	586,819.01	880,614.10	4,021,563.07	586,819.01	880,614.10	4,021,563.07
Less: Non-operating expenses	2,443,260.92	1,696,260.80	6,447,997.04	2,435,260.92	1,696,260.80	6,432,218.65
IV. Profit before taxation	59,005,621.14	52,437,927.82	84,674,943.77	58,800,074.74	52,191,063.01	84,329,842.74
Less: Income tax	8,907,251.10	8,934,404.01	15,489,472.12	8,736,999.61	8,735,901.60	15,210,456.12
Minority interests	35,294.91	48,362.40	66,085.03	—	—	—
V. Profit after taxation	50,063,075.13	43,455,161.41	69,119,386.62	50,063,075.13	43,455,161.41	69,119,386.62
Add: Undistributed profit at the beginning of the year	166,518,592.59	148,886,816.45	148,886,816.45	166,518,592.59	148,886,816.45	148,886,816.45
Other income	(105,359.21)	(22,737.43)	(22,737.43)	(105,359.21)	(22,737.43)	(22,737.43)
VI. Distributable profit	216,476,308.51	192,319,240.43	217,983,465.64	216,476,308.51	192,319,240.43	217,983,465.64
Less: Appropriation of statutory surplus reserve	—	—	6,911,938.66	—	—	6,911,938.66
Appropriation of statutory welfare reserve	—	—	3,455,969.33	—	—	3,455,969.33
VII. Profit available for distribution to shareholders	216,476,308.51	192,319,240.43	207,615,557.65	216,476,308.51	192,319,240.43	207,615,557.65
Less: Appropriation of discretionary surplus reserve	—	—	6,911,938.66	—	—	6,911,938.66
General dividends payable	—	—	34,185,026.40	—	—	34,185,026.40
VIII. Undistributed profit	216,476,308.51	192,319,240.43	166,518,592.59	216,476,308.51	192,319,240.43	166,518,592.59

