



IMPORTANT: The Directors of the Company jointly and severally accept responsibility for the authenticity, accuracy and completeness of the information contained in this report and confirm that there are no misrepresentation, material omission or misleading statements in this report.

The interim financial report of the Company for the six months ended 30th June 2001 has not been audited.

I. COMPANY PROFILE

1. Legal Chinese name of the Company: 經緯紡織機械股份有限公司
English name of the Company: Jingwei Textile Machinery Company Limited
2. Registered address of the Company: 15 Wucheng Road, Taiyuan, Shanxi Province, PRC
Business address of the Company: Level 7 First Shanghai Centre, 39 Liangmachiao Road, Chaoyang District, Beijing, PRC
Postal Code: 100016
Worldwide website: <http://www.jwme.com>
E-mail address: jwfj@mail.jwme.com
3. Legal representative of the Company: Yin Shouen
4. Company secretary to the Board: Ye Xuehua
Correspondence address: Level 7 First Shanghai Centre, 39 Liangmachiao Road, Chaoyang District, Beijing, PRC
Telephone: (86 10) 8453 4132; (8610) 84534078-8188
Facsimile: (86 10) 8453 4135
E-mail address: yxh@mail.jwme.com
5. Newspapers for company information disclosure:
PRC: China Securities Post, Securities Times
Hong Kong: Wen Wei Po (Chinese); Hong Kong iMail (English)
Website for publication of interim report: <http://www.cninfo.com.cn>
Place for inspection of interim report: Secretariat of the Board
6. Stock exchanges on which shares of the Company are listed and stock codes:
A Shares: Shenzhen Stock Exchange
Stock Code: 0666
Stock Name: Jingwei Textile Machinery
H Shares: The Stock Exchange of Hong Kong Limited
Stock Code: 0350
Stock Name: Jingwei Textile Machinery

II. KEY FINANCIAL DATA AND INDICATORS

1. Financial information prepared in accordance with the PRC accounting rules and regulations

	Jan-Jun 2001 <i>Rmb</i> (<i>unaudited</i>)	Jan-Jun 2000 <i>Rmb</i> (<i>unaudited</i>)	Jan-Dec 2000 <i>Rmb</i> (<i>audited</i>)
Revenue from principal operations	1,234,290,247	831,643,196	1,808,124,899
Net Profit	90,487,841	65,671,886	127,341,048
Net profit after extraordinary items	89,940,503	65,230,806	124,387,000
Net cashflow from operating activities per share	-0.03	0.14	0.41
Total assets	3,729,938,362	3,385,066,593	3,634,027,439
Asset-liability ratio (%)	41.30	37.00	42.31
Shareholders' equity (excluding minority interests)	2,179,265,052	2,126,472,114	2,088,777,211
Earnings per share	0.15	0.11	0.21
Return on net assets (%)	4.15	3.09	6.10
Net assets per share	3.61	3.52	3.46
Adjusted net assets per share	3.54	3.48	3.40

Notes:

The key financial indicators are calculated on the following basis:

Earnings per share	=	Net profit/total number of ordinary shares in issue at end of the reporting period
Net assets per share	=	Shareholders' equity at end of the reporting period/total number of ordinary shares in issue at end of the reporting period
Return on net assets	=	Net profit/shareholders' equity at end of the reporting period × 100%
Adjusted net assets per share	=	(Shareholders' equity at end of the reporting period-receivables outstanding for over three years deferred expenses-net losses on current or fixed assets pending disposal-pre-operating expenses-long-term deferred expenses-negative balance of housing reserve)/total number of ordinary shares in issue at end of the reporting period

Extraordinary items:

	Jan-Jun 2001 Rmb	Jan-Jun 2000 Rmb
Donation	(43,000)	—
Loss on disposal of fixed assets	14,564	(50,092)
Net income from debtors and creditors	51,150	180,494
Amortization of equity investment difference	310,678	310,678
Amortization of price difference on consolidation of net assets of subsidiaries	213,946	—
Total	547,338	441,080

2. Schedule to Profit and Loss Account prepared in accordance with the Information Disclosure Compilation Rules (no. 9) of the China Securities Regulatory Commission

	Return on net assets (%)				Earnings per Share (Rmb/share)			
	Fully diluted		Weighted average		Fully diluted		Weighted average	
	First half of 2001	First half of 2000	First half of 2001	First half of 2000	First half of 2001	First half of 2000	First half of 2001	First half of 2000
Profit for the reporting period								
Profit from principal activities	11.01	7.79	11.25	15.55	0.40	0.27	0.40	0.36
Operating profit	4.68	3.41	4.78	6.80	0.17	0.12	0.17	0.16
Net profit	4.15	3.09	4.24	6.17	0.15	0.11	0.15	0.15
Net profit after extraordinary items	4.13	3.07	4.21	6.13	0.15	0.11	0.15	0.14

Fully diluted return on net assets and earnings per share are calculated on the following basis:

Fully diluted return on net assets = Profit for the reporting period/net assets at end of period

Fully diluted earnings per share = Profit for the reporting period/total number of shares in issue at end of period

Return on equity (ROE) on a weighted average basis = Profit for the reporting period/(Net assets at beginning of the reporting period + Net profit for the reporting period ÷ 2 + Increase in net assets arising from new issue of shares or conversion of debt into shares during the reporting period × number of remaining months immediately following the month of increase in net assets to the last month of the reporting period ÷ number of months in the reporting period - decrease in net assets arising from repurchase or cash distribution during the reporting period × number of remaining months immediately following the month of decrease in net assets to the last month of the reporting period ÷ number of months in the reporting period)

Earnings per share (EPS) on a weighted average basis = Profit for the reporting period/(Total number of shares in issue at beginning of the reporting period + increase in number of shares resulting from transfer of reserve to share capital or distribution of stock dividends during the reporting period + Net profit from increase in number of shares arising from new issue of shares or conversion of debt into shares during the reporting period × number of remaining months immediately following the month of increase in shares to the last month of the reporting period ÷ number of months in the reporting period - decrease in number of shares arising from repurchase or capital reduction during the reporting period × number of remaining months immediately following the month of decrease in shares to the last month of the reporting period ÷ number of months in the reporting period)



3. **Financial information prepared in accordance with the accounting principles generally accepted in Hong Kong**

Unaudited consolidated profit and loss account

	(Unaudited)	
	Six months ended 30th June	
	2001	2000
	<i>Rmb '000</i>	<i>Rmb '000</i>
Turnover	1,234,290	831,643
Cost of sales	(991,074)	(664,644)
Gross profit	243,216	166,999
Other revenues	2,340	2,213
Distribution expenses	(26,785)	(20,441)
Administrative expenses	(112,306)	(62,982)
Other operating expenses	(1,563)	(1,767)
Operating profit	104,902	84,022
Provision for impairment of fixed assets	(39,538)	—
Net interest expenses	(3,263)	(12,776)
Share of profits of associated companies	296	—
Profit before taxation	62,397	71,246
Taxation	(11,145)	(5,317)
Profit after taxation	51,252	65,929
Minority interests	(664)	(568)
Profit attributable to shareholders	<u>50,588</u>	<u>65,361</u>
Dividends	<u>(66,418)</u>	<u>—</u>
	<i>Rmb</i>	<i>Rmb</i>
Basic earnings per share	<u>0.08</u>	<u>0.14</u>

4. **The following illustrates the difference in profit attributable to shareholders for the six months ended 30th June 2001 as calculated in accordance with the PRC Accounting Rules and Regulations (“PRC GAAP”) and the accounting principles generally accepted in Hong Kong (“HK GAAP”):**

	<i>Rmb '000</i>
Profit attributable to shareholders based on the PRC GAAP	90,487
Less: Amortization of long-term equity investment over a period of 10 years	(310)
Amortization of the appreciation in value arising from revaluation of land use right	(51)
Impairment of fixed assets recognized in current period as required by HK GAAP	(39,538)
Profit attributable to shareholders based on the HK GAAP	<u>50,588</u>