

APPENDIX TO THE PROFIT AND LOSS ACCOUNTS

(PREPARED IN ACCORDANCE WITH
PRC ACCOUNTING STANDARDS)
FOR THE YEAR ENDED 31ST DECEMBER 2001

In RMB Yuan

	Notes	Consolidated Current Year Cumulative	Last Year Cumulative	Parent company Current Year Cumulative	Last Year Cumulative
Income from principal operations	28	1,099,258,491.40	1,044,072,798.76	1,088,660,264.36	1,036,321,498.73
Less: Cost of sales		766,747,318.96	734,998,291.82	759,484,822.22	729,267,954.45
Sales tax and extra charges	29	6,615,517.62	6,830,368.63	6,563,421.23	6,784,444.58
Profit from principal operations		325,895,654.82	302,244,138.31	322,612,020.91	300,269,099.70
Add: Profit from other operations	30	4,898,672.34	1,972,534.35	4,898,672.34	1,972,534.35
Less: Selling expenses		120,755,498.26	109,892,641.12	118,945,241.86	109,280,196.04
General and administrative expenses		108,552,056.82	98,780,714.31	107,822,270.28	98,240,297.63
Financial expenses	31	2,878,106.75	9,045,939.49	2,893,478.65	9,069,265.68
Operating profit		98,608,665.33	86,497,377.74	97,849,702.46	85,651,874.70
Add: Investment income	32	3,035,148.24	604,000.00	3,456,898.89	1,088,623.62
Non-operating income	33	1,138,639.19	4,021,563.07	1,138,639.19	4,021,563.07
Less: Non-operating expenses	34	5,523,884.82	6,447,997.04	5,506,787.17	6,432,218.65
Profit before taxation		97,258,567.94	84,674,943.77	96,938,453.37	84,329,842.74
Less: Income tax		16,307,132.31	15,489,472.12	16,042,307.05	15,210,456.12
Minority interests		55,289.31	66,085.03	-	-
Profit after taxation		80,896,146.32	69,119,386.62	80,896,146.32	69,119,386.62
Add: Undistributed profit at the beginning of the year		166,518,592.59	148,886,816.45	166,518,592.59	148,886,816.45
Distributable profit		247,414,738.91	218,006,203.07	247,414,738.91	218,006,203.07
Less: Appropriation of statutory surplus reserve		8,200,399.59	6,911,938.66	8,089,614.63	6,911,938.66
Appropriation of statutory		4,100,199.80	3,455,969.33	4,044,807.32	3,455,969.33

welfare reserve

Profit available for distribution to shareholders	235,114,139.52	207,638,295.08	235,280,316.96	207,638,295.08
Less: Appropriation of discretionary surplus reserve	8,089,614.63	6,911,938.66	8,089,614.63	6,911,938.66
General dividends payable	36,585,026.40	34,185,026.40	36,585,026.40	34,185,026.40
General dividends transferred into share capital	-	22,737.43	-	22,737.43
Undistributed profit	190,439,498.49	166,518,592.59	190,605,675.93	166,518,592.59

(The accompanying notes form an integral part of these financial statements).

	Return on equity (%)				Earnings per share (RMB)			
	Fully diluted		Weighted average		Fully diluted		Weighted average	
	2001	2000	2001	2000	2001	2000	2001	2000
Profit								
Profit from principal operations	24.31	32.65	26.95	33.28	0.71	0.71	0.75	0.71
Operating profit	7.35	9.34	9.00	9.52	0.22	0.20	0.23	0.20
Profit after taxation	6.03	7.47	7.44	7.61	0.18	0.16	0.19	0.16
Profit after taxation and extraordinary items	6.03	7.47	7.44	7.61	0.18	0.16	0.19	0.16

Notes:

1. Fully diluted Return on Equity (ROE) = Profit realised in the reporting period (P) ÷ Net assets at the end of the reporting period
2. Calculation method for weighted average ROE under PRC accounting standards is as follows:

$$ROE = P / (EO + NP \div 2 + E_i \times M_i \div MO - E_j \times M_j \div MO)$$

- P : Profit realised in the reporting period
- NP : Net profit realised in the reporting period
- EO : Net assets at the beginning of the reporting period
- E_i : Net assets increased due to the issue of new shares or the transfer from debt to capital during the reporting period

- Ej : Net assets decreased due to the re-purchase of shares or cash dividend dispatched during the reporting period
- MO : Number of months in the reporting period
- Mi : Number of months from the next month following the date on which net assets increased to the end of the reporting period
- Mj : Number of months from the next month following the date on which net assets decreased to the end of the reporting period

3. Fully diluted earning per share (EPS) = Profit realised in the reporting period (P) ÷ Total number of shares at the end of the reporting period

4. Calculation method for weighted average EPS under PRC accounting standards is as follows:

$$\text{EPS} = P / (SO + S1 + Si \times Mi \div MO - Sj \times Mj \div MO)$$

- P : Profit realised in the reporting period
- SO : Total number of shares at the beginning of the reporting period
- S1 : Number of shares increased due to the transfer from reserves to capital or share dividend dispatched during the reporting period
- Si : Number of shares increased due to the issue of new shares or the transfer from debt to capital during the reporting period
- MO : Number of months in the reporting period
- Mj : Number of months from the next month following the date on which net assets increased to the end of the reporting period