

Cash Flow Statement

For the year ended 31st December, 2000
(Prepared under PRC Accounting Rules and Regulations)
(Expressed in Thousand Renminbi)

	Note	1st January, to 31st December, 2000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from sales of goods		9,138,882
Output VAT received and refund of VAT paid		1,615,590
Sub-total of cash inflows		10,754,472
Cash paid for goods		(7,556,527)
Cash paid to and on behalf of employees		(105,904)
VAT on purchases paid		(1,508,587)
Income tax paid		(239,659)
Taxes paid other than VAT and income tax		(35,344)
Cash paid in relation to other operating activities		(418,221)
Sub-total of cash outflows		(9,864,242)
NET CASH INFLOW ARISING FROM OPERATING ACTIVITIES	(a)	890,230
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets, intangible assets and other assets		262
Cash from interest received		29,291
Sub-total of cash inflows		29,553
Increase of deposits with banks		(657,205)
Cash paid for acquisition of fixed assets		(298,730)
Cash paid for construction in progress, intangible assets and other assets		(692,861)
Sub-total of cash outflows		(1,648,796)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(1,619,243)

	Note	1st January, to 31st December, 2000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of A Share convertible debentures		1,480,452
Sub-total of cash inflow		1,480,452
Repayment of loans from ultimate holding company		(120,000)
Redemption of convertible debentures		(15)
Sub-total of cash outflow		(120,015)
NET CASH INFLOW FROM FINANCING ACTIVITIES		1,360,437
NET INCREASE IN CASH AND CASH EQUIVALENTS	(b)	631,424