

Consolidated Statement of Cashflow

*(Prepared in accordance with PRC Accounting Rules and Regulations)(For the year ended
31st December, 2000)*

Items	Note(5)	Consolidated RMB	Company RMB
1. Cash flow from operating activities:			
Cash received from sale of goods and services provided		1,063,851,709.97	59,769,557.75
Rental income received		10,382,247.09	10,030,285.49
Tax refund received		1,464,875.82	—
Other cash received relating to operating activities		7,794,920.03	3,081,107.35
Cash inflow, sub-total		1,083,493,752.91	72,880,950.59
Cash paid on purchase of goods and services		1,052,145,264.67	45,914,171.98
Cash paid for operating lease		6,716,863.91	322,851.75
Cash paid to staff and paid on behalf of staff		51,615,906.72	21,892,213.10
Value added tax paid		14,643,646.03	11,000,000.00
Income tax paid		4,116,244.17	—
Other tax paid, excluding VAT and income tax		2,910,452.30	2,452,750.00
Other cash paid relating to operating activities	32	124,907,517.64	26,400,150.00
Cash outflow, sub-total		1,257,055,895.44	107,982,136.83
Net cash flow from operating activities		(173,562,142.53)	(35,101,186.24)
2. Cash flow from investment activities:			
Cash received from acquisition or disposal of subsidiaries		7,571,458.63	54,488,032.57
Cash received from investment recovered		9,739,979.76	8,469,979.76
Cash received from dividend or profit distributed		95,235,514.00	95,235,514.00
Cash received from debenture interest		264.62	—

Net cash proceeds on the disposal of fixed assets, intangible assets and other long term assets	383,320.25	13,450.00
Cash received from other investment	6,637,983.94	1,758,405.56
Cash inflow, sub-total	119,568,521.20	159,965,381.89
Net cash paid on purchase of fixed assets. intangible assets and other long term assets	3,713,491.09	2,064,351.18
Cash paid for equity investment	191,797,125.95	191,060,000.00
Cash outflow, sub-total	195,510,617.04	193,124,351.18
Net cash flow from investment activities	(75,942,095.84)	(33,158,969.29)

Items	Note(5)	Consolidated RMB	Company RMB
3. Cash flow from financing activities:			
Cash received from equity investment		856,480.26	—
Including: cash received by subsidiary which acquired equity investment from minority interest		856,480.26	—
Cash received from borrowing		871,847,701.04	422,429,186.99
Cash inflow, sub-total		872,704,181.30	422,429,186.99
Cash paid on repayment of debts		636,377,074.01	357,877,074.01
Cash paid on distribution of dividends or profits		2,838,888.89	—
Including: Dividend paid to minority interests by subsidiaries		2,838,888.89	—
Cash paid on interest repayment		39,372,372.62	26,990,574.52
Cash paid on other financing activities	33	24,430,528.09	2,386,710.00
Cash outflow, sub-total		703,018,863.61	387,254,358.53
Net cash flow from financing activities		169,685,317.69	35,174,828.46
4. Net increase in cash and cash equivalents		(79,818,920.68)	(33,085,327.07)

Items	2000	
	Consolidated RMB	Company RMB
1. Investment and financing activities not involving cash transactions		
Investment by fixed assets	—	53,839.55
2. Cash flow involving the adjustment of net profit to operating activities		
Net profit	132,823,413.96	147,326,131.76
Add: portion of minority interest	2,161,848.10	—
provision for bad debt or bad debt written off	43,380,348.08	(7,948,673.29)
provision for devaluation of stocks	17,802,258.09	3,260,789.34
Depreciation of fixed assets	41,537,109.85	20,900,088.90
Amortisation of intangible and other assets	24,064,553.38	19,386,868.61
Loss arising from disposal of intangible assets and other long term assets (less: income)	(969,667.86)	(1,115,898.18)
Loss arising from obsolescence of fixed assets	(560,175.27)	—
Finance expenses	54,531,051.92	25,795,455.30
Loss in investment (less: income)	(241,289,953.71)	(211,294,566.46)
Deferred tax credit (less: debit)	11,550.64	11,550.64
Decrease in inventories (less: increase)	(16,681,477.65)	(8,976,338.86)
Decrease in trade debtors (less: increase)	(386,824,128.55)	(33,071,685.21)
Increase in trade creditors (less: decrease)	182,377,698.00	12,726,069.84
Decrease in deferred expenses (less: increase)	(21,422,716.50)	72,586.17
Increase in accruals (less: decrease)	(4,078,709.06)	(2,173,564.80)
Others	(425,145.95)	—
Net cash flow from operating activities	(173,562,142.53)	(35,101,186.24)
3. Net increase in cash and cash equivalents:		
Cash balance as at end of the period	87,405,240.29	5,255,760.60
Less: Cash balance as at beginning of the period	167,224,160.97	38,341,087.67
Net increase in cash and cash equivalents	(79,818,920.68)	(33,085,327.07)