

Cash Flow Statement

(Prepared under PRC accounting standards)

For the year ended 31 December 2000

	2000	1999
	RMB	RMB
1. Cash Flows from Operating Activities:		
Cash received from sales of goods or rendering of services	7,060,441,938	6,091,640,111
Other cash received relating to operating activities	1,528,589,168	1,351,114,228
Sub-total of cash inflows	8,589,031,106	7,442,754,339
Cash paid for goods and services	4,148,285,640	3,962,013,267
Cash paid to and on behalf of employees	1,147,011,777	829,609,647
Value-added tax on purchases paid	702,675,024	516,247,741
Income tax paid	43,331,715	-
Taxes paid other than value-added tax and income tax	103,133,127	273,200,257
Other cash paid relating to operating activities	997,636,657	830,379,092
Sub-total of cash outflows	7,142,073,940	6,411,450,004
Net cash flows from operating activities	1,446,957,166	1,031,304,335
2. Cash Flows from Investing Activities:		
Cash received from returns on investments	9,663,648	33,413,556
Cash received from interest income	25,904,751	31,412,474
Net cash received from disposal of fixed assets, intangible assets and other long term assets	1,232,460	5,721,965
Decrease in fixed deposits with maturities of more than 3 months	432,312,068	342,187,488
Sub-total of cash inflows	469,112,927	412,735,483
Cash paid to acquire fixed assets, intangible assets and other long term assets	557,761,965	636,809,229
Cash paid to acquire equity investments	6,673,831	-
Increase in fixed deposits with maturities of more than 3 months	218,500,838	432,312,068
Sub-total of cash outflows	782,936,634	1,069,121,297
Net cash flows from investing activities	(313,823,707)	(656,385,814)

The attached notes are a component of the Audited Financial Statements.

	2000	1999
	RMB	RMB
3. Cash Flows from Financing Activities:		
Proceeds from borrowings	1,780,490,843	1,974,469,630
Sub-total of cash inflows	1,780,490,843	1,974,469,630
Cash repayments of amounts borrowed	2,250,996,574	2,167,466,127
Cash payments of interest expenses	204,351,033	297,872,364
Sub-total of cash outflows	2,455,347,607	2,465,338,491
Net cash flows from financing activities	(674,856,764)	(490,868,861)
4. Effect of Foreign Exchange Rate Changes on Cash	(2,097,926)	(1,088,397)
5. Net Increase/(Decrease) in Cash and Cash Equivalents	456,178,769	(117,038,737)

The attached notes are a component of the Audited Financial Statements.

	2000	1999
	RMB	RMB
Supplementary information:		
1. Reconciliation of Net Profit to Net Cash Flows from Operating Activities:		
Net profit	173,006,359	11,667,822
Add: Staff housing subsidies charged to retained profits	(20,872,421)	-
Provisions for doubtful debts	26,680,000	46,000,000
Provisions for inventories	-	18,000,000
Provisions for impairments of fixed assets	20,544,897	-
Provisions for impairments of construction in progress	67,000,000	-
Depreciation of fixed assets	705,948,211	564,903,547
Amortisation of intangible assets	18,169,867	18,169,869
Amortisation of long term deferred expenditure	29,676,820	60,419,269
Increase in accrued charges	51,320,860	10,320,522
Loss on disposal of fixed assets, intangible assets and other long term assets	15,801,453	241,464
Financial expenses	178,692,240	187,012,105
Investment income	(2,675,648)	(3,001,921)
Decrease in inventories	81,023,553	327,823,504
Decrease in receivables from operating activities	270,506,034	59,101,599
Decrease in payables from operating activities	(135,184,946)	(314,840,000)
Net increase/(decrease) in value-added tax payable	(32,680,113)	45,486,555

Net cash flows from operating activities	1,446,957,166	1,031,304,335
2. Investing and Financing Activities that do not Involve Cash Receipts and Payments:	-	-
3. Net Increase/(Decrease) in Cash and Cash Equivalents:		
Cash and balances with financial institutions at end of year	1,520,821,621	1,278,454,082
Less: Balance of fixed deposits with maturities of more than 3 months at end of year	(218,500,838)	(432,312,068)
Less: Cash and balances with financial institutions at beginning of year	(1,278,454,082)	(1,305,368,239)
Add: Balance of fixed deposits with maturities of more than 3 months at beginning of year	432,312,068	342,187,488
Net increase/(decrease) in cash and cash equivalents	456,178,769	(117,038,737)

The attached notes are a component of the Audited Financial Statements.