

# Consolidated Cash Flow Statement

For the year ended December 31, 2000  
(Expressed in thousands of RMB)

	Note	2000	1999
			(Note 30)
Net cash inflow from operating activities	(a)	<b>3,366,186</b>	2,164,068
Returns on investments and servicing of finance			
Interest received		<b>116,029</b>	17,786
Interest paid		<b>(175,398)</b>	(66,883)
Dividends from an associated company		<b>42,434</b>	22,225
Dividends paid to joint venture partners		<b>(28,692)</b>	(122,139)
Dividends paid		<b>(21,690)</b>	(4,043)
Net cash outflow from returns on investments and servicing of finance		<b>(67,317)</b>	(153,054)
Taxation			
PRC enterprise income tax paid		<b>(369,373)</b>	(54,988)
Investing activities			
Payments for fixed assets and construction-in-progress		<b>(936,279)</b>	(929,882)
Increase in short-term bank deposits		<b>(545,993)</b>	(745,890)
Proceeds from disposal of fixed assets		<b>179</b>	27,486
Purchase of a subsidiary, net of cash acquired		—	12,432
Payments for other long-term assets		<b>(1,194)</b>	(1,154)
Payments for deposits for an investment		—	(24,560)
Increase in investments in associated companies		<b>(16,635)</b>	(60,613)
Increase in advances to associated companies		<b>(241,299)</b>	(24,870)
Increase in advances to affiliated companies		<b>(1,054,528)</b>	(1,169,376)
Net cash outflow from investing activities		<b>(2,795,749)</b>	(2,916,427)
Net cash inflow (outflow) before financing activities		<b>133,747</b>	(960,401)

# Consolidated Cash Flow Statement (Cont'd)

For the year ended December 31, 2000  
 (Expressed in thousands of RMB)

	Note	2000	1999
			<i>(Note 30)</i>
<b>Financing activities</b>			
Increase in advances from affiliated companies		<b>30,656</b>	20,882
Capital injection by a joint venture partner		—	31,006
Payment in lieu of bonus shares		—	(4)
Proceeds from issuance of common stock		<b>345,190</b>	655,550
(Decrease) Increase in short-term bank loans		<b>(543,631)</b>	908,433
<b>Net cash (outflow) inflow from financing activities</b>		<b>(167,785)</b>	1,615,867
(Decrease) Increase in cash and cash equivalents		<b>(34,038)</b>	655,466
Cash and cash equivalents, beginning of year		<b>1,372,076</b>	716,610
<b>Cash and cash equivalents, end of year</b>		<b>1,338,038</b>	1,372,076

# Consolidated Cash Flow Statement (Cont'd)

For the year ended December 31, 2000  
(Expressed in thousands of RMB)

(a) Reconciliation of profit before taxation to net cash inflow from operating activities:

	<b>Consolidated</b>	
	<b>2000</b>	<b>1999</b>
		<i>(Note 30)</i>
Profit before taxation	<b>1,549,480</b>	1,008,465
Share of profits of associated companies	<b>(74,423)</b>	(45,429)
Interest income	<b>(106,351)</b>	(34,712)
Interest expense	<b>96,280</b>	60,270
Depreciation of fixed assets	<b>106,683</b>	74,048
Amortization of other long-term assets	<b>850</b>	1,704
Amortization of goodwill	<b>6,355</b>	6,045
Loss on disposal of fixed assets	<b>271</b>	468
Provision for doubtful receivables	<b>227</b>	12,230
Provision for inventory obsolescence	<b>5,000</b>	16,000
Decrease in accounts receivable	<b>25,397</b>	22,518
(Increase) Decrease in notes receivables	<b>(85,796)</b>	484,921
Increase in due from affiliated companies	<b>(130,293)</b>	(375,099)
(Increase) Decrease in other receivables	<b>(816,588)</b>	181,690
Decrease (Increase) in prepayments and other current assets	<b>297</b>	(166,184)
Increase in inventories	<b>(419,088)</b>	(91,942)
Increase in notes payable	<b>3,166,015</b>	401,303
Increase in accounts payable	<b>13,182</b>	94,292
Increase in amounts due to affiliated companies	<b>84,654</b>	207,253
(Decrease) Increase in customer advances	<b>(75,036)</b>	100,284
Increase in other payables	<b>155,727</b>	97,338
(Decrease) Increase in accrued expenses and other current liabilities	<b>(29,373)</b>	38,880
(Decrease) Increase in taxes payable	<b>(107,284)</b>	69,725
	<b>3,366,186</b>	2,164,068

# Consolidated Cash Flow Statement (Cont'd)

For the year ended December 31, 2000  
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(b) Analysis of changes in financing during the year was as follows:

	Share capital and share premium	Short-term bank loans	Advances from affiliated companies	Minority interests
Balances at December 31, 1998	620,108	682,428	2,520	762,934
Issuance of shares	655,550	—	—	—
Capital injection by a joint venture partner	—	—	—	31,007
Dividends paid	—	—	—	(122,139)
Increase in advances from affiliated companies	—	—	20,882	—
Offset of dividends against receivables from affiliated companies of a minority shareholder	—	—	—	(25,896)
Share of profits by joint venture partners	—	—	—	290,813
Dividends declared	—	—	—	(21,488)
Increase in bank loans	—	908,432	—	—
Payment in lieu of bonus issue	(4)	—	—	—
Balances at December 31, 1999	1,275,654	1,590,860	23,402	915,231
Minority interest acquired by the Company	—	—	—	(31,007)
Increase in advances from affiliated companies	—	—	30,656	—
Share of profits by joint venture partners	—	—	—	268,317
Exercise of stock options	345,190	—	—	—
Dividends declared	—	—	—	(624,604)
Decrease in bank loans	—	(543,631)	—	—
Balances at December 31, 2000	1,620,844	1,047,229	54,058	527,937

(c) During the year, major non-cash transactions include:

- (i) Purchase considerations amounting to approximately RMB681.1 million and RMB388 million for the acquisitions of certain intangible asset and an indirect equity interest in an associated company respectively were offset against certain receivable balances from affiliated companies.
- (ii) Dividends payable of RMB609.7 million to the joint venture partner in Shenyang Automotive were offset against certain receivable balances from affiliated companies.