

Cash Flow Statement

(Prepared under PRC accounting standards)

Year ended 31 December 2001

	2001 RMB
1. Cash flows from operating activities:	
Cash received from sales of goods and rendering of services	11,414,107,480
Other cash received relating to operating activities	11,519,539
Sub-total of cash inflows	11,425,627,019
Cash paid for goods and services	(7,796,597,288)
Cash paid to and on behalf of employees	(1,300,645,251)
Taxes paid	(944,498,209)
Other cash paid relating to operating activities	(296,702,559)
Sub-total of cash outflows	(10,338,443,307)
Net cash flows from operating activities	1,087,183,712
2. Cash flows from investing activities:	
Cash received from sales of investments	5,368,000
Cash received from returns on investments	27,071,723
Net cash received from disposal of fixed assets, intangible assets and other long term assets	11,429,977
Cash received from retrieval of pledged deposits and overdue deposits	3,508,089
Sub-total of cash inflows	47,377,789
Cash paid for acquisition of fixed assets, intangible assets and other long term assets	(683,459,737)
Cash paid for purchase of investments	(108,596,000)
Sub-total of cash outflows	(792,055,737)
Net cash flows from investing activities	(744,677,948)
3. Cash flows from financing activities:	
Proceeds from borrowings	1,208,771,705
Other cash received relating to financing activities	426,920,000
Sub-total of cash inflows	1,635,691,705
Cash repayments of amounts borrowed	(2,042,487,794)
Cash paid for appropriation of dividend and profit or payment of interest	(269,461,924)
Sub-total of cash outflows	(2,311,949,718)
Net cash flows from financing activities	(676,258,013)
4. Effect of foreign exchange rate changes on cash	716,251
5. Net decrease in cash and cash equivalents	(333,035,998)

The attached notes are components of the Audited Financial Statements.

Cash Flow Statement (continued)

(Prepared under PRC accounting standards)

Year ended 31 December 2001

Supplementary Information	2001 RMB
1. Reconciliation of net profit to net cash flows from operating activities:	
Net profit	203,518,387
Add: Staff housing subsidies charged to retained profits	(84,567,947)
Provision for doubtful debts	95,550,000
Provision for impairment of short term investments	1,771,790
Provision for impairment of fixed assets	104,886,515
Provision for impairment of construction in progress	7,000,000
Depreciation of fixed assets	807,351,156
Amortisation of intangible assets	19,517,638
Increase in accrued charges	16,933,305
Loss on disposal of fixed assets, intangible assets and other long term assets	158,824,403
Financial expenses	128,269,403
Investment income	(2,441,727)
Decrease in inventories	185,717,280
Increase in receivables from operating activities	(907,998,678)
Increase in payables from operating activities	352,852,187
Net cash flows from operating activities	1,087,183,712
2. Investing and financing activities that do not involve cash receipts and payments:	—
3. Net decrease in cash and cash equivalents:	
Cash and balances with financial institutions at end of year	1,146,872,585
Less: Cash and balances with financial institutions at beginning of year	(1,479,908,583)
Add: Balance of cash equivalents at end of year	—
Less: Balance of cash equivalents at beginning of year	—
Net decrease in cash and cash equivalents	(333,035,998)

The attached notes are components of the Audited Financial Statements.

Authorised Company Representative:
Gu Zhanggen
15 April 2002

Chief Accountant:
Su Jiangan
15 April 2002

Head of Accounting Department:
Guang Yagang
15 April 2002