

Notes to the Cash Flow Statement

For the year ended 31 December 2001
(Prepared under PRC Accounting Rules and Regulations)

(a) Reconciliation of net profit to cash flows from operating activities

	2001 RMB'000
Net profit	71,604
Depreciation	1,146,499
Loss on disposal of fixed assets, intangible assets and other long-term assets	14,038
Financial expenses	243,532
Investment income	(60,156)
Decrease in inventories	586,010
Decrease in operating receivables	180,498
Increase in operating payables	460,211
Others	(15,777)
Net cash flows from operating activities	2,626,459

(b) Decrease in cash and cash equivalents

	2001 RMB'000
Cash at the end of the year	955,438
Less: Cash at the beginning of the year	(1,207,072)
Add: Cash equivalents at the end of the year	32,111
Less: Cash equivalents at the beginning of the year	(101,252)
Net decrease in cash and cash equivalents	(320,775)