

## Financial statements

### CASH FLOW STATEMENT

(Prepared under PRC accounting standards)

*For the year ended 31 December 2000*

*Unit: Rmb*

	Item	Note	The Group	The Company
1	Cash Flows from Operating Activities			
	Cash received from sales of goods or rendering of services		539,132,931.86	475,172,212.75
	Rental received		199,999.00	657,836.70
	Other tax refund excluding value added tax received		23,770.53	-
	Other cash received		27,168,333.68	25,822,355.48
	Sub-total of cash inflows		566,525,035.07	501,652,404.93
	Cash paid for goods and services		(295,197,613.28)	(260,892,014.30)
	Cash paid for operating leases		(1,081,318.60)	(345,960.00)
	Cash paid to and on behalf of employees		(111,674,053.11)	(97,980,018.33)
	Value added tax on purchases paid		(35,057,797.54)	(30,097,682.09)
	Income tax paid		(12,699,761.93)	(12,238,885.87)
	Taxes paid other than value added tax and income tax		(6,094,575.25)	(5,056,376.13)
	Other cash paid relating to operating activities	37	(69,038,285.67)	(58,009,716.01)
	Sub-total of cash outflows		(530,843,405.38)	(464,620,652.73)
	Net cash flows from operating activities		35,681,629.69	37,031,752.20
2	Cash Flows from Investing Activities:			
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,915,021.07	3,502,800.21
	Other cash received relating to investing activities		120,000.00	120,000.00
	Sub-total of cash inflows		4,035,021.07	3,622,800.21

	Cash paid to acquire fixed assets, intangible assets and other long-term assets	(97,117,751.76)	(91,507,733.38)
	Sub-total of cash outflows	(97,117,751.76)	(91,507,733.38)
	Net cash flows from investing activities	(93,082,730.69)	(87,884,933.17)
3	Cash Flows from Financial Activities:		
	Proceeds from borrowings	6,000,000.00	-
	Sub-total of cash inflows	6,000,000.00	-
	Cash repayments of debentures	(780,000.00)	-
	Cash payments for distribution of dividends or profits	(22,000,000.00)	(22,000,000.00)
	Cash payments of interest expenses	(1,918,074.02)	(304,352.44)
	Sub-total of cash outflows	24,698,074.02	22,304,352.44
	Net cash flows from financial activities	(18,698,074.02)	(22,304,352.44)
4	Effect of Foreign Exchange Rate Changes on Cash	(271,238.46)	(105,952.86)
5	Net decrease in Cash and Cash Equivalents	(76,370,413.48)	(73,263,486.27)

*Unit: Rmb*

Notes:	The Group	The Company
1. Investing and Financial Activities not Involving Cash Payment:	-	-
2. Reconciliation of Profit after taxation to Cash Flows from Operating Activities		
Net profit for the year	51,423,260.71	51,622,150.34
Add: Adjusted retained profit at the beginning of the period	(40,682,902.68)	(40,682,902.68)
Provision for bad debt or bad debt written off	2,093,456.68	1,000,000.00
Provision for diminution in value of inventories	(6,933,395.93)	(6,936,533.00)
Depreciation of fixed assets	32,082,945.14	27,777,198.26
Amortisation of intangible assets	643,015.65	-
Amortisation of other assets	1,777,882.05	1,212,000.00
Amortisation of deferred expenses (less: increase)	65,913.06	(19,502.93)

Increase in accruals (less: decrease)	(106,068.93)	-
Loss on disposal of fixed assets, intangible assets and other long-term assets (less: income)	3,247,068.80	2,148,829.95
Financial expenses	2,190,109.34	410,305.30
Investment loss (less: income)	-	3,163,041.45
Contributions from minority interests	(1,523,079.11)	-
Decrease in inventories (less: increase)	(124,447,238.18)	(119,447,064.62)
Decrease in operating receivables (less: increase)	(20,085,309.45)	(14,646,853.55)
Increase in operating payables (less: decrease)	135,935,972.54	131,431,083.68
 Net cash flows from operating activities	 35,681,629.69	 37,031,752.20
 3. Net Decrease in Cash and Cash Equivalents		
Cash at the end of the year	127,419,782.68	115,739,622.46
Less: Cash and bank balance at the beginning of the year	(203,790,196.16)	(189,003,108.73)
 Net decrease in cash and cash equivalents	 (76,370,413.48)	 (73,263,486.27)

The notes form an integral part of the financial statements.