

Consolidated Cash Flow Statement

Prepared under the PRC accounting standards

Statement of cash flow (unaudited)

Unit: RMB
As at June, 2001

Item of cash flow	This period		Same period of last year	
	Parent Company	Consolidated	Parent Company	Consolidated
1. Cash flow from operating activities				
Cash received from sales of goods or rendering of services	932,784,763.58	1,301,390,763.58	1,033,451,053.22	1,403,363,905.31
Refund of tax paid	22,366,801.71	32,879,500.30	40,050,330.71	48,880,551.43
Other cash received relating to operating activities	107,429,399.24	115,382,698.52	24,858,691.27	31,767,426.77
Sub-total of cash inflows	1,062,580,964.53	1,449,652,978.12	1,098,360,075.20	1,484,011,883.51
Cash paid for goods and services	812,306,517.61	1,080,866,133.68	712,117,156.87	1,009,129,009.37
Cash paid to and on behalf of employees	70,724,109.36	90,983,537.10	72,341,201.93	95,483,926.72
Tax paid	42,218,557.01	62,573,012.87	48,044,481.93	69,915,990.61
Other cash paid relating to operating activities	52,188,412.75	73,564,006.04	35,456,497.02	52,183,892.06
Sub-total of cash outflows	977,437,596.73	1,307,986,689.69	867,959,337.75	1,226,712,818.76
Net cash flow from operating activities	85,143,367.80	141,666,288.43	230,400,737.45	257,299,064.75
2. Cash flows from investing activities:				
Cash received from return of investments	21,200,000.00	21,200,000.00	2,326,376.79	2,326,376.79
Cash received from bond interest income received	5,746,153.40	5,746,153.40	1,525,451.95	222,368.32
Cash received from disposal of fixed asset, intangible assets and other long-term assets	754,849.83	754,849.83	67,842.62	67,842.62
Other cash received relating to investing activities	0.00	17,963.85	180.00	16,573.56
Subtotal of cash inflows	27,701,003.23	27,718,967.08	3,919,851.36	2,633,161.29
Cash paid to acquire fixed assets, intangible assets and other long-term assets	37,249,543.20	38,643,813.70	28,418,732.73	29,309,076.40
Cash paid to investments	0.00	0.00	3,380,000.00	3,380,000.00
Other cash paid relating to investing activities	72,319.00	72,319.00	33,288.38	33,288.38
Sub-total of cash outflows	37,321,862.20	38,716,132.70	31,832,021.11	32,722,364.78
Net cash flow from investment activities	-9,620,858.97	-10,997,165.62	-27,912,169.75	-30,089,203.49
3. Cash flows from financing activities				
Proceeds from borrowings	565,700,000.00	594,255,208.61	452,000,000.00	560,561,213.68

Other proceeds relating to financing activities	30,992,518.24	1,392,843.53	49,007,760.19	4,154,951.35
Sub-total of cash inflows	596,692,518.24	595,648,052.14	501,007,760.19	564,716,165.03
Cash repayment of amounts borrowed	489,000,000.00	517,555,208.61	577,959,300.00	665,171,173.87
Cash payments for distribution of dividends or profits	27,932,565.41	28,158,751.31	26,253,073.98	27,902,691.79
Other cash payments relating to financing activities	413,982.36	706,164.53	450,197.26	515,619.76
Sub-total of cash outflows	517,346,547.77	546,420,124.45	604,662,571.24	693,589,485.42
Net cash flows from financing activities	79,345,970.47	49,227,927.69	-103,654,811.05	-128,873,320.39
4. Effect of foreign exchange rate changes on cash and bank balances	285,918.65	311,654.75	-918,924.74	-954,341.44
5. Net increase in cash and cash equivalents	155,154,397.95	180,208,705.25	97,914,831.91	97,382,199.43

Additional information:

Reconciliation of net profit to cash flows from operating activities

Net profit	6,534,800.05	6,534,800.05	24,019,440.59	23,935,218.02
Add: Minorities interests		-853,007.68		1,988,258.60
Diminution provision for assets	-1,039,808.76	-1,039,808.76		218.00
Depreciation of fixed assets	24,830,554.96	35,234,927.13	21,413,087.38	32,616,355.43
Amortization of intangible assets	1,136,420.46	3,529,742.92	1,231,371.45	2,278,955.57
Amortization of long term deferred expenses				
Deferred expenses decreased (deduct: increase)	2,001,243.77	2,321,360.74	1,291,089.36	1,469,860.51
Advanced appropriation expenses (deduct: decrease)				
Losses on disposal of fixed assets, intangible assets and other long-term assets				
Losses on write off of fixed assets	120,233.17	118,233.17	-40,366.03	-40,366.03
Financial expenses	23,581,400.09	26,262,248.56	17,722,828.78	24,528,856.65
Losses from investments (deduct: income)	-13,292,480.18	-5,813,816.31	-3,799,153.76	-3,697,303.12
Deferred tax credit (deduct: assets)				
Decrease in inventories (deduct: increase)	84,716,193.08	13,509,085.08	21,217,981.26	-36,034,992.06
Decrease in operating receivables (deduct: increase)	-62,770,317.15	38,802,767.61	39,945,370.78	99,664,604.25
Decrease in operating payables (deduct: decrease)	-83,659,332.73	-99,734,768.41	83,319,375.10	75,762,956.21
Others	102,984,461.04	122,794,524.33	24,079,712.54	34,826,442.72
Net cash flows from operating activities	85,143,367.80	141,666,288.43	230,400,737.45	257,299,064.75

2. Investing and financing activities not involving cash flows

Debts transfer to principal

Transferable bonds matured with one year
Financing or leasing fixed assets

3. Net increase in cash and cash equivalents

Cash and bank balances at the end of the period	290,223,386.07	353,867,264.89	530,469,859.42	576,427,247.18
Less: cash and bank at the beginning of the period	135,068,988.12	173,658,559.64	432,555,027.51	479,045,047.75
Add: Cash equivalents at the end of the period	0.00	0.00		
Less: cash equivalents at the beginning of the period	0.00	0.00		
Net increase in cash and cash equivalents	155,154,397.95	180,208,705.25	97,914,831.91	97,382,199.43

Prepared under the Hong Kong generally accepted accounting principles

Condensed consolidated cash flow statement

For the six months ended 30th June 2001

	Unaudited	
	6 months ended 30th June	
	2001	2000
	RMB'000	RMB'000
Net cash inflow from operating activities	<u>153,319</u>	<u>271,452</u>
Net cash outflow from returns on investments and servicing of finance	<u>(19,475)</u>	<u>(24,495)</u>
Total taxation paid	<u>(7,069)</u>	<u>(9,949)</u>
Net cash outflow from investing activities	<u>(23,087)</u>	<u>(39,040)</u>
Net cash inflow before financing	<u>103,688</u>	<u>197,968</u>
Net cash inflow/(outflow) from financing	<u>76,520</u>	<u>(100,586)</u>
Increase in cash and cash equivalents	<u>180,208</u>	<u>97,382</u>
Cash and cash equivalents at 1st January	<u>173,659</u>	<u>479,045</u>
Cash and cash equivalents at 30th June	<u>353,867</u>	<u>576,427</u>
Analysis of balances of cash and cash equivalents :		
Bank balances and cash	<u>353,867</u>	<u>576,427</u>