

Cash Flow Statement

(Prepared in accordance with PRC Accounting Standards)

FOR THE YEAR ENDED 31ST DECEMBER, 2002

Amounts: In Rmb Yuan

Item	Note	Consolidated	The Company
1. Cash flows from operating activities			
Cash received from sale of goods and services		21,400,956,470	17,975,897,542
Cash received on tax refund		—	—
Other cash received relating to operating activities		252,898,651	164,325,784
Sub-total of cash inflows		21,653,855,121	18,140,223,326
Cash paid for goods and services		(7,892,634,937)	(6,350,144,894)
Cash paid to and on behalf of employees		(931,012,762)	(761,732,687)
Payment of all types of taxes		(3,326,977,909)	(2,818,658,943)
Other cash paid relating to operating activities	5(25)	(1,698,368,871)	(1,382,217,147)
Sub-total of cash outflows		(13,848,994,479)	(11,312,753,671)
Net cash flows from operating activities		7,804,860,642	6,827,469,655
2. Cash flows from investing activities			
Cash received on disposal of investments		5,087,082,019	4,969,510,766
Cash received on investments income		1,748,359	135,876,972
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		70,028,636	32,476,940
Other cash received relating to investing activities		569,842,526	478,246,292
Sub-total of cash inflows		5,728,701,540	5,616,110,970
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(1,598,350,078)	(1,433,239,084)
Cash paid to acquire investments		(3,031,468,798)	(3,031,468,797)
Sub-total of cash outflows		(4,629,818,876)	(4,464,707,881)
Net cash flows from investing activities		1,098,882,664	1,151,403,089
3. Cash flows from financing activities			
Cash received from borrowings		173,378,886	173,308,884
Sub-total of cash inflow		173,378,886	173,308,884
Cash paid on repayment of borrowings		(5,558,785,165)	(5,284,632,737)
Cash payments of interest expenses and appropriation of dividends or profit		(2,688,871,802)	(2,336,407,193)
Including: Dividends paid to minority shareholders of subsidiaries		(62,583,272)	—
Sub-total of cash outflows		(8,247,656,967)	(7,621,039,930)
Net cash flows used in financing activities		(8,074,278,081)	(7,447,731,046)
4. Effect of foreign exchange rate changes on cash		—	—
5. Net increase in cash and cash equivalents		829,465,225	531,141,698

The accompanying notes form an integral part of these financial statements.

Legal representative:
Li Xiaopeng

Person in charge of
accounting function:
Huang Jian

Person in charge of
accounting department:
Zhou Hui

(Prepared in accordance with PRC Accounting Standards)
 FOR THE YEAR ENDED 31ST DECEMBER, 2002
 Amounts: In Rmb Yuan

Supplementary Information Item	Consolidated	The Company
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	4,082,350,589	4,082,350,589
Add: Minority interests	166,218,539	—
Provision for asset impairment	7,464,599	7,259,394
Depreciation of fixed assets	3,490,607,838	3,107,933,731
Amortization of intangible assets	(230,669,048)	(232,306,548)
Amortization of long-term deferred expenses	5,246,533	5,246,533
Decrease in deferred expenses	145,640	167,888
Increase in accrued expenses (or deduct: decrease)	9,980,414	(199,157,063)
Losses on disposal of fixed assets, intangible assets and other long-term assets	30,882,300	30,321,841
Financial expenses	647,755,142	530,315,861
Losses arising from investments (or deduct: gains)	46,138,983	(288,673,388)
Increase in operating receivables items	(427,457,284)	(329,203,186)
Increase in operating payables items (or deduct: decrease)	(23,803,603)	113,214,003
Others	—	—
Net cash flows from operating activities	7,804,860,642	6,827,469,655
2. Investing and financing activities that do not involve cash receipts and payments		
Conversion of debt into capital	1,655,420	1,655,420
Convertible notes maturing within one year	—	—
Fixed assets acquired under finance leases	—	—
3. Net increase in cash and cash equivalents		
Cash at end of year	3,002,601,470	2,660,474,096
Less: cash at beginning of year	2,173,136,245	2,129,332,398
Cash equivalents at end of year	—	—
Less: cash equivalents at beginning of year	—	—
Net increase in cash and cash equivalents	829,465,225	531,141,698

The accompanying notes form an integral part of these financial statements.

<i>Legal representative:</i>	<i>Person in charge of accounting function:</i>	<i>Person in charge of accounting department:</i>
Li Xiaopeng	Huang Jian	Zhou Hui