

Unit: RMB

Items	Notes	31 December 2002		31 December 2001	
		Group (As restated, see note 1)	Company (As restated, see note 1)	Group (As restated)	Company (As restated)
<b>1. Cash flows from operating activities:</b>					
Cash received from sales of goods and rendering of services		4,599,555,916	4,340,024,516	4,659,473,911	4,189,772,644
Refund of taxes and levies		–	–	43,728,843	6,557,769
Other cash received relating to operating activities		24,638,444	13,772,281	19,339,857	21,784,158
<b>Sub-total of cash inflows</b>		<b>4,624,194,360</b>	<b>4,353,796,797</b>	<b>4,722,542,611</b>	<b>4,218,114,571</b>
Cash paid for purchases of goods and services		3,491,550,189	3,291,622,581	3,607,830,681	3,231,042,950
Cash paid to and on behalf of employees		329,590,993	154,073,311	384,007,181	243,463,001
Tax paid		109,248,030	71,367,624	162,072,763	89,159,022
Other cash paid relating to operating activities		194,020,388	213,147,377	420,538,251	206,945,937
<b>Sub-total of cash outflows</b>		<b>4,124,409,600</b>	<b>3,730,210,893</b>	<b>4,574,448,876</b>	<b>3,770,610,910</b>
<b>Net cash flows from operating activities</b>		<b>499,784,760</b>	<b>623,585,904</b>	<b>148,093,735</b>	<b>447,503,661</b>
<b>2. Cash flows from investing activities:</b>					
Cash received from acquisition of subsidiaries		56,909,418	–	–	–
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		48,769,648	282,277	81,796,652	58,091,669
Other cash received relating to investing activities	38	204,537,039	204,537,039	12,552,101	10,652,955
<b>Sub-total of cash inflows</b>		<b>310,216,105</b>	<b>204,819,316</b>	<b>94,348,753</b>	<b>68,744,624</b>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		264,510,507	43,113,074	307,488,842	221,293,772
Cash paid for acquisition of investments		–	147,763,896	16,849,108	83,845,424
Other cash paid relating to investing activities	38	603,452,809	598,051,003	837,572,947	837,574,947
<b>Sub-total of cash outflows</b>		<b>867,963,316</b>	<b>788,927,973</b>	<b>1,161,910,897</b>	<b>1,142,714,143</b>
<b>Net cash flows from investing activities</b>		<b>(557,747,211)</b>	<b>(584,108,657)</b>	<b>(1,067,562,144)</b>	<b>(1,073,969,519)</b>

# Statement of Cash Flows

For the Year ended 31 December 2002 (Prepared in accordance with PRC GAAP and regulations)

# Statement of Cash Flows

For the Year ended 31 December 2002 (Prepared in accordance with PRC GAAP and regulations)

Unit: RMB

Items	Notes	31 December 2002		31 December 2001	
		Group (As restated, see note 1)	Company (As restated, see note 1)	Group (As restated)	Company (As restated)
<b>3. Cash flows from financing activities:</b>					
Cash received from borrowings		1,454,465,000	1,180,000,000	863,446,591	610,000,000
<b>Sub-total of cash inflows</b>		<b>1,454,465,000</b>	<b>1,180,000,000</b>	<b>863,446,591</b>	<b>610,000,000</b>
Cash paid for repayment of borrowings		1,272,530,166	1,190,000,000	–	–
Cash paid for distribution of dividends, profit or interest expenses		90,008,597	54,608,064	92,864,732	63,960,478
<b>Sub-total of cash outflows</b>		<b>1,362,538,763</b>	<b>1,244,608,064</b>	<b>92,864,732</b>	<b>63,960,478</b>
<b>Net cash flows from financing activities</b>		<b>91,926,237</b>	<b>(64,608,064)</b>	<b>770,581,859</b>	<b>546,039,522</b>
<b>4. Effect of foreign exchange rate changes on cash</b>		<b>1,477,790</b>	<b>–</b>	<b>310,501</b>	<b>–</b>
<b>5. Net increase (decrease) in cash and cash equivalents</b>		<b>35,441,576</b>	<b>(25,130,817)</b>	<b>(148,576,049)</b>	<b>(80,426,336)</b>

Supplemental information:

Unit: RMB

Items	Notes	31 December 2002		31 December 2001	
		Group (As restated, see note 1)	Company (As restated, see note 1)	Group (As restated)	Company (As restated)
<b>1. Reconciliation of net profit to net cash flows from operating activities:</b>					
Net profit		101,276,990	91,205,801	(1,475,892,124)	(1,448,076,882)
Add: Minority interests		(388,723)	–	(13,656,567)	–
Provision or reversal of provision for impairment loss of assets		(246,564,161)	(266,496,625)	635,312,265	572,381,389
Depreciation of fixed assets		245,868,462	100,635,167	248,503,870	93,800,639
Amortisation of intangible assets		13,547,960	8,218,113	10,885,801	7,571,501
Amortisation of long-term expenditures		179,347,229	28,566,834	165,538,180	39,754,299
Decrease in deferred expenditures (less: increase)		(2,109,156)	(4,060,193)	3,146,279	4,005,834
Increase in accruals (less: decrease)		(121,675,246)	(164,648,219)	(63,236,909)	283,569,717
Loss from disposal of fixed assets, intangible assets and other long-term assets (less: gain)		748,140	(63,386)	15,057,482	12,685,498
Financial expenses		90,008,597	54,608,064	86,687,871	54,337,938
Investment loss (less: gain)		17,070,782	107,961,019	99,063,264	371,073,107
Decrease in inventories (less: increase)		464,434,244	334,393,833	229,149,767	(1,058,213,037)
Decrease in operating receivables (less: increase)		(629,736,039)	(570,198,817)	63,764,853	94,475,035
Increase in operating payables (less: decrease)		387,955,681	903,464,313	143,769,203	1,420,138,623
Net cash flows from operating activities		499,784,760	623,585,904	148,093,235	447,503,661
<b>2. Investing and financing activities not involving in cash receipts and payments</b>					
		–	–	–	–
<b>3. Net increase in cash and cash equivalents:</b>					
Cash and cash equivalent at end of year	39	686,638,140	356,228,019	651,196,564	381,358,836
Less: Cash and cash equivalent at beginning of year	39	651,196,564	381,358,836	799,772,613	461,785,172
Net increase in cash and cash equivalents		35,441,576	(25,130,817)	(148,576,049)	(80,426,336)

The notes set out below constitute an integral part of the financial statements.