

Items	Group	Company
<b>1. Cash flows from operating activities</b>		
Cash received from sale of goods or rendering of services	16,476,646,108	16,267,033,425
Refund of tax		
Cash received relating to other operating activities	1,364,376	1,344,533
<b>Sub-total of cash inflows</b>	<b>16,478,010,484</b>	<b>16,268,377,958</b>
Cash paid for goods and services	(12,868,905,297)	(12,809,493,787)
Cash paid to and on behalf of employees	(379,834,895)	(329,122,820)
Payment of all types of taxes	(1,033,985,878)	(1,014,069,353)
Cash paid relating to other operating activities	(335,338,047)	(326,146,035)
<b>Sub-total of cash outflows</b>	<b>(14,618,064,117)</b>	<b>(14,478,831,995)</b>
<b>Net cash flows from operating activities</b>	<b>1,859,946,367</b>	<b>1,789,545,963</b>
<b>2. Cash flows from investing activities</b>		
Cash received from sale of investments		
Cash received from return of investments	1,860,000	21,600,295
Net cash received from disposal of fixed assets	7,141,127	7,141,127
Cash received relating to other investing activities		
<b>Sub-total of cash inflows</b>	<b>9,001,127</b>	<b>28,741,422</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(799,267,492)	(784,457,262)
Cash paid to acquire investments (Note V-31)	(73,086,014)	(73,086,014)
Cash paid relating to other investing activities		
<b>Sub-total of cash outflows</b>	<b>(872,353,506)</b>	<b>(857,543,276)</b>
<b>Net cash flows from investing activities</b>	<b>(863,352,379)</b>	<b>(828,801,854)</b>

**Cash Flow Statements**

For the year ended December 31, 2002

(In RMB Yuan)

Items	Group	Company
<b>3. Cash flows from financing activities</b>		
Proceeds from issuing shares		
<i>Including:</i> Cash received from minority shareholders		
Proceeds from borrowings	4,867,374,651	4,783,774,651
Proceeds relating to other financing activities		
<b>Sub-total of cash inflows</b>	<u>4,867,374,651</u>	<u>4,783,774,651</u>
Cash repayment of borrowings	(5,335,404,588)	(5,216,804,588)
Cash payment for interest expense and distribution of dividends	(532,676,412)	(523,300,225)
<i>Including:</i> Dividends paid to minority shareholders	(1,732,787)	-
Cash paid relating to other financing activities		
<i>Including:</i> Cash paid to minority shareholders due to reduction of capital of subsidiaries		
<b>Sub-total of cash outflows</b>	<u>(5,868,081,000)</u>	<u>(5,740,104,813)</u>
<b>Net cash flows from financing activities</b>	<u>(1,000,706,349)</u>	<u>(956,330,162)</u>
<b>4. Effect of foreign exchange rate changes on cash</b>		
<b>5. Net (decrease)/increase in cash and cash equivalents</b>	<u>(4,112,361)</u>	<u>4,413,947</u>

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

<i>Legal representative:</i>	<i>General manager:</i>	<i>Person in charge of accounting function (Chief accountant):</i>	<i>Person in charge of accounting department:</i>
<b>Yu Li</b>	<b>Shi Jian Xun</b>	<b>Lan Yun Sheng</b>	<b>Liao Hong Wei</b>

**Supplementary Information**

Items	Group	Company
<b>1. Reconciliation of net loss to cash flows from operating activities</b>		
Net loss	(1,025,732,561)	(1,026,117,674)
<i>Add:</i> Minority interests	(5,655,464)	-
Provision for impairment of assets	384,028,412	370,045,668
Depreciation of fixed assets	753,954,097	733,162,986
Amortisation of intangible assets	93,201,856	93,117,567
Amortisation of long-term deferred expenses	116,302,776	116,302,776
Decrease in prepaid expenses	2,208,228	2,579,682
Increase in accrued expenses		
Gain on disposal of fixed assets	(7,141,127)	(7,141,127)
Loss on scrapping of fixed assets	286,682,529	286,137,818
Financial expenses	474,370,460	466,727,060
Investment loss	8,308,243	34,234,815
Deferred tax debit		
Increase in inventories	(65,852,850)	(67,978,303)
Decrease in operating receivables	341,719,032	284,686,963
Increase in operating payables	503,552,736	503,787,732
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Net cash flows from operating activities	1,859,946,367	1,789,545,963
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<b>2. Investing and financing activities that do not involve cash receipts and payments</b>		
Investments in the form of fixed assets		
Convertible bonds maturing within one year		
Finance lease of fixed assets		
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<b>3. Net (decrease)/increases in cash and cash equivalents</b>		
Cash at end of the year	32,804,641	29,575,296
<i>Less:</i> Cash at beginning of the year	(36,917,002)	(25,161,349)
Cash equivalents at end of the year		
<i>Less:</i> Cash equivalents at beginning of the year		
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Net (decrease)/increases in cash and cash equivalents	(4,112,361)	4,413,947
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The accompanying notes form an integral part of these financial statements.

<i>Legal representative:</i>	<i>General manager:</i>	<i>Person in charge of accounting function (Chief accountant):</i>	<i>Person in charge of accounting department:</i>
<b>Yu Li</b>	<b>Shi Jian Xun</b>	<b>Lan Yun Sheng</b>	<b>Liao Hong Wei</b>