

Cash Flow Statement

(Prepared in accordance with PRC Accounting Standards)
FOR THE YEAR ENDED 31st DECEMBER, 2003
(Amounts: In Rmb Yuan)

Items	Note	Consolidated	The Company
1. Cash flows from operating activities			
Cash received from sale of goods and services		27,129,383,880	23,327,923,627
Other cash received relating to operating activities		148,138,072	118,556,992
Sub-total of cash inflows		27,277,521,952	23,446,480,619
Cash paid for goods and services		(9,941,830,698)	(8,642,057,829)
Cash paid to and on behalf of employees		(1,079,192,007)	(918,563,772)
Payment of all types of taxes		(3,855,986,487)	(3,199,900,923)
Other cash paid relating to operating activities	6(26)	(2,243,538,053)	(1,753,373,344)
Sub-total of cash outflows		(17,120,547,245)	(14,513,895,868)
Net cash flows from operating activities		10,156,974,707	8,932,584,751
2. Cash flows from investing activities			
Cash received on disposal of investments		1,147,192,869	1,417,003,473
Cash received on investment income		10,704,716	244,302,149
Net cash received from disposals of fixed assets		121,074,089	116,867,453
Other cash received relating to investing activities		215,665,745	28,193,651
Sub-total of cash inflows		1,494,637,419	1,806,366,726
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(3,760,373,288)	(2,327,081,953)
Cash paid to acquire investments other than the equity interest in subsidiaries		(2,390,013,200)	(2,618,881,200)
Cash paid to acquire equity interest in subsidiaries	6(25)	(550,000,000)	(550,000,000)
Sub-total of cash outflows		(6,700,386,488)	(5,495,963,153)
Net cash flows used in investing activities		(5,205,749,069)	(3,689,596,427)
3. Cash flows from financing activities			
Cash received from investments		77,632,000	—
Including: cash received from minority shareholders equity investment in subsidiaries		77,632,000	—
Cash received from borrowings		2,135,230,542	560,363,542
Sub-total of cash inflow		2,212,862,542	560,363,542
Cash paid on repayment of borrowings		(3,197,395,992)	(2,623,089,472)
Cash payments of interest expenses and appropriation of dividends or profit		(2,841,265,670)	(2,548,620,805)
Including: Dividends paid to minority shareholders of subsidiaries		(133,244,836)	—
Sub-total of cash outflows		(6,038,661,662)	(5,171,710,277)
Net cash flows used in financing activities		(3,825,799,120)	(4,611,346,735)
4. Effect of foreign exchange rate changes on cash		620,026	(193,468)
5. Net increase in cash and cash equivalents		1,126,046,544	631,448,121

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, 2003
(Amounts: In Rmb Yuan)

Supplementary Information	Consolidated	The Company
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	5,457,142,551	5,457,142,551
Add: Minority interests	200,837,538	—
Provision for asset impairment	11,815,322	6,837,653
Depreciation of fixed assets	4,063,465,119	3,611,012,801
Amortization of intangible assets	(229,670,474)	(231,701,267)
Amortization of long-term deferred expenses	8,070,188	8,070,188
Decrease in deferred expenses	8,383,311	5,316,161
Decrease in accrued expenses	(4,336,944)	(4,336,944)
Losses on disposal of fixed assets	137,719,028	133,427,243
Financial expenses	612,257,765	478,934,847
Gains arising from investments	(133,885,686)	(567,970,021)
Decrease in inventories	168,923,943	156,628,864
Increase in operating receivables items	(577,868,758)	(492,481,282)
Increase in operating payables items	433,435,156	371,703,957
Others	686,648	—
Net cash flows from operating activities	10,156,974,707	8,932,584,751
2. Investing and financing activities that do not involve cash receipts or payments		
Conversion of debt into capital	165,548,000	165,548,000
Reclassification of current portion of convertible notes to current liabilities	951,901	951,901
Fixed assets capitalized under finance leases	—	—
3. Net increase in cash and cash equivalents		
Cash at end of year	4,128,648,014	3,291,922,217
Less: cash at beginning of year	(3,002,601,470)	(2,660,474,096)
Cash equivalents at end of year	—	—
Less: cash equivalents at beginning of year	—	—
Net increase in cash and cash equivalents	1,126,046,544	631,448,121

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