

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended December 31, 2004

(Amounts expressed in thousands of Renminbi)

	Note	2004	2003
<b>Cash flows from operating activities</b>			
Cash generated from operations	28	621,123	570,912
Long term rental deposit		(12,903)	—
Enterprise income tax paid		(32,737)	(19,344)
<b>Net cash provided by operating activities</b>		<b>575,483</b>	551,568
<b>Cash flows from investing activities</b>			
Purchases of property, plant, equipment and intangible assets		(147,732)	(307,134)
Decrease/(Increase) in short-term bank deposits		(120,378)	34,492
Interest income		17,846	3,000
Dividends received from associated companies		4,837	2,615
Proceeds from disposal of property, plant and equipment		972	1,591
Investment to related party		—	(6,150)
Increase in other long-term assets		(234)	(845)
<b>Net cash used in investing activities</b>		<b>(244,689)</b>	(272,431)
<b>Cash flows from financing activities</b>			
Dividend paid to group shareholders		(128,903)	(137,125)
Disbursement for other financing activities		—	(482)
<b>Net cash used in financing activities</b>		<b>(128,903)</b>	(137,607)
<b>Net increase in cash and cash equivalents</b>		<b>201,891</b>	141,530
<b>Cash and cash equivalents, beginning of year</b>		<b>2,034,952</b>	1,893,422
<b>Cash and cash equivalents, end of year</b>	22	<b>2,236,843</b>	2,034,952

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