

Cash Flow Statements

FOR THE YEAR ENDED 31ST DECEMBER 2004
(Prepared in accordance with PRC Accounting Regulations)

	Group 2004 RMB'000	Company 2004 RMB'000
Cash flows from operating activities		
Cash inflows:		
Cash received from sales of goods and rendering of services	446,205	425,315
Other cash received relating to operating activities	2,251	113
Sub-total of cash inflows	<u>448,456</u>	<u>425,428</u>
Cash outflows:		
Cash paid for goods and services	(78,420)	(67,445)
Cash paid to and on behalf of employees	(33,056)	(29,064)
Taxes paid	(155,773)	(155,347)
Other cash paid relating to operating activities	(38,922)	(30,926)
Sub-total of cash outflows	<u>(306,171)</u>	<u>(282,782)</u>
Net cash flows from operating activities	<u>142,285</u>	<u>142,646</u>
Cash flows from investing activities		
Cash inflows:		
Acquisition of subsidiaries, net of cash acquired	7,291	—
Net cash received from disposal of fixed assets	100	100
Other cash received from investing activities	6,466	6,275
Sub-total of cash inflows	<u>13,857</u>	<u>6,375</u>
Cash outflows:		
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(329,078)	(270,233)
Cash paid to invest in long-term equity investments other than subsidiary companies	(2,000)	—
Cash paid to invest in subsidiary companies	—	(68,500)
Restricted bank deposits	(400,000)	(400,000)
Sub-total of cash outflows	<u>(731,078)</u>	<u>(738,733)</u>
Net cash flows from investing activities	<u>(717,221)</u>	<u>(732,358)</u>
Cash flows from financing activities		
Cash inflows:		
Cash received from minority investment	5,000	—
Net cash received from issuing convertible bonds	1,165,392	1,165,392
Cash received from borrowings	115,000	100,000
Other cash received relating to financing activities	10,412	—
Sub-total of cash inflows	<u>1,295,804</u>	<u>1,265,392</u>
Cash outflows:		
Cash repayments of amounts borrowed	(80,000)	(70,000)
Cash payments for distribution of dividends or profits	(106,217)	(106,217)
Cash payments for interest expenses	(38,526)	(35,707)
Cash payment for guarantee expense of the issuance of convertible bonds	(4,200)	(4,200)
Withholding deposits in bank	(23,332)	(23,332)
Sub-total of cash outflows	<u>(252,275)</u>	<u>(239,456)</u>
Net cash flows from financing activities	<u>1,043,529</u>	<u>1,025,936</u>
Net increase in cash	<u>468,593</u>	<u>436,224</u>

The accompanying notes form an integral part of these accounts.

Ma Baiyu
Company Representative

Gu Qifeng
Person in charge of
accounting function

Chen Yinxing
Person in charge of
accounting department

Supplementary Information	Group 2004 RMB'000	Company 2004 RMB'000
(i) Reconciliation of net profit to net cash flows from operating activities		
Net profit	323,197	323,197
Add/(Less):		
Minority interests	(802)	—
Depreciation and amortisation of fixed assets	57,936	48,526
Losses on disposal of fixed assets	4,645	4,645
Interest expenses – net	28,459	28,264
Loss on investments	—	700
(Increase)/Decrease in inventories	(3,677)	356
Increase in operating receivables	(286,896)	(278,491)
Increase in operating payables	19,423	15,449
Net cash flows from operating activities	<u>142,285</u>	<u>142,646</u>
(ii) Net increase in cash		
Cash at end of the year (note 3)	918,667	836,287
Less: Cash at beginning of the year	(450,074)	(400,063)
Net increase in cash	<u>468,593</u>	<u>436,224</u>

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