

Statement of Cash Flows

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Year ended 31 December 2004 (Prepared in accordance with PRC GAAP and regulations)

Items	Notes	Year ended	Year ended	Year ended	Year ended
		31 December	31 December	31 December	31 December
		2004	2004	2003	2003
		Group	Company	Group	Company
		RMB	RMB	RMB	RMB
				(As restated)	(As restated)
1. Cash flows from operating activities:					
Cash received from sales of goods and rendering of services		9,152,702,388	6,841,331,737	7,379,157,010	6,208,775,706
Refund of tax and levies		527,197,037	–	100,603,053	18,190
Cash received from other operating activities		8,157,507	18,373,845	8,624,168	8,641,980
Sub-total of cash inflows		9,688,056,932	6,859,705,582	7,488,384,231	6,217,435,876
Cash paid for purchases of goods and services		7,072,321,751	5,841,331,699	6,184,344,395	4,627,547,141
Cash paid to and on behalf of employees		498,899,159	204,517,241	438,566,099	178,782,591
Tax paid		218,768,849	148,452,719	199,542,039	148,224,752
Cash paid for other operating activities		1,004,360,516	674,017,825	748,902,468	610,776,906
Sub-total of cash outflows		8,794,350,275	6,868,319,484	7,571,355,001	5,565,331,390
Net cash flows from operating activities		893,706,657	(8,613,902)	(82,970,770)	652,104,486
2. Cash flows from investing activities:					
Cash received from acquisition of subsidiaries		8,286,133	4,822,916	–	–
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		10,111,976	731,547	10,616,021	11,720,563
Other cash received from investing activities	42	38,831,794	30,585,243	22,122,290	18,795,238
Sub-total of cash inflows		57,229,903	36,139,706	32,738,311	30,515,801
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		509,145,375	39,077,237	349,838,222	87,899,447
Cash paid for acquisition of investments		–	359,225,800	–	88,666,950
Net cash paid for acquisition of subsidiaries and other operating entities	46	55,532,548	–	–	–
Cash paid for other investing activities		–	–	–	–
Sub-total of cash outflows		564,677,923	398,303,037	349,838,222	176,566,397
Net cash flows from investing activities		(507,448,020)	(362,163,331)	(317,099,911)	(146,050,596)

Items	Notes	Year ended	Year ended	Year ended	Year ended
		31 December 2004 Group RMB	31 December 2004 Company RMB	31 December 2003 Group RMB (As restated)	31 December 2003 Company RMB (As restated)
3. Cash flows from financing activities:					
Cash contribution from minority shareholders by subsidiaries		44,300,000	–	9,000,000	–
Cash received from borrowings		5,599,913,128	1,783,865,000	4,444,400,000	1,075,000,000
Cash received from other financing activities	43	93,405,960	318,523,968	–	–
Sub-total of cash inflows		5,737,619,088	2,102,388,968	4,453,400,000	1,075,000,000
Cash paid for repayment of borrowings		5,673,540,819	1,751,010,000	3,225,567,357	990,000,000
Cash paid for distribution of dividends, profit or interest expenses		154,626,987	79,981,855	125,846,480	59,294,245
Cash paid for other financing activities	43	–	–	663,686,299	556,675,410
Sub-total of cash outflows		5,828,167,806	1,830,991,855	4,015,100,136	1,605,969,655
Net cash flows from financing activities		(90,548,718)	271,397,113	438,299,864	(530,969,655)
4. Effect of foreign exchange rate changes on cash					
		(5,081,093)	(798,201)	2,037,353	–
5. Net increase in cash and cash equivalents	44	290,628,826	(100,178,321)	40,266,536	(24,915,765)

Statement of Cash Flows

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Year ended 31 December 2004 (Prepared in accordance with PRC GAAP and regulations)

	Notes	Year ended 31 December 2004 Group RMB	Year ended 31 December 2004 Company RMB	Year ended 31 December 2003 Group RMB (As restated)	Year ended 31 December 2003 Company RMB (As restated)
1. Reconciliation of net profit to net cash flows from operating activities:					
Net profit		(64,160,206)	(92,625,244)	202,180,248	197,890,645
Add: Minority interests		(10,455,703)	–	6,147,145	–
Provision (reversal of provision) for impairment loss of assets		83,389,664	41,944,984	40,841,322	30,812,035
Depreciation of fixed assets		344,895,556	94,016,175	328,321,981	79,753,505
Amortisation of intangible assets		73,458,329	66,295,441	31,115,320	25,088,249
Amortisation of long-term expenditures		28,005,331	18,827,932	34,630,552	23,090,855
Decrease in deferred expenditures (less: increase)		10,598,299	11,000,475	(8,553,926)	(8,733,557)
Increase in accruals (less: decrease)		4,461,850	10,222,349	13,818,429	(6,866,548)
Loss from disposal of fixed assets, intangible assets and other long-term assets (less: gains)		2,950,447	(597)	832,307	(1,160,844)
Financial expenses		119,991,915	50,194,814	100,064,774	37,909,994
Investment loss (less: gains)		83,108,297	(60,512,937)	50,182,698	(132,529,717)
Decrease in inventories (less: increase)		(1,064,056,860)	(177,912,158)	(857,552,716)	(313,642,580)
Decrease in operating receivables (less: increase)		(466,479,647)	(782,870,932)	(486,659,072)	45,258,647
Increase in operating payables (less: decrease)		1,730,286,734	812,805,796	460,660,168	674,233,802
Spread other related party transactions		17,712,651	–	–	–
Others		–	–	1,000,000	1,000,000
Net cash flows from operating activities		893,706,657	(8,613,902)	(82,970,770)	652,104,486
2. Investing and financing activities not involving in cash receipts and payments:					
Settlement of accounts receivable by intangible assets	45	–	–	736,595,440	736,595,440
Borrowings repayable by notes receivables	45	193,990,000	95,490,000	98,500,000	–
Outward investment in non-cash assets	45	–	43,150,000	–	180,000,000
3. Net increase in cash and cash equivalents:					
Cash and cash equivalents at the end of the year	44	1,017,533,502	231,133,933	726,904,676	331,312,254
Less: Cash at the beginning of the year	44	726,904,676	331,312,254	686,638,140	356,228,019
Net increase in cash and cash equivalents		290,628,826	(100,178,321)	40,266,536	(24,915,765)