

Cash Flow Statement

(Prepared in accordance with PRC Accounting Standards)

For the year ended 31st December 2005

(All Amounts are stated in Rmb Yuan unless otherwise stated)

Items	Note	Consolidated	The Company
1. Cash flows from operating activities			
Cash received from sale of goods and services		46,145,981,923	30,838,529,025
Cash received from refund of taxation other than value-added tax		49,214,921	49,214,921
Other cash received relating to operating activities		158,563,899	93,928,543
Sub-total of cash inflows		46,353,760,743	30,981,672,489
Cash paid for goods and services		(25,437,913,614)	(17,943,289,254)
Cash paid to and on behalf of employees		(2,460,605,258)	(1,737,994,387)
Payment of all types of taxes		(5,475,799,574)	(3,355,748,305)
Other cash paid relating to operating activities	5(28)	(2,449,325,580)	(1,999,158,294)
Sub-total of cash outflows		(35,823,644,026)	(25,036,190,240)
Net cash flows from operating activities		10,530,116,717	5,945,482,249
2. Cash flows from investing activities			
Cash received on disposals of investments		62,604,977	30,322,580
Cash received on investment income		429,589,398	797,465,276
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		58,926,437	18,562,054
Other cash received relating to investing activities		20,985,638	7,467,597
Sub-total of cash inflows		572,106,450	853,817,507
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(13,984,242,630)	(5,854,211,800)
Cash paid to acquire investments other than in equity interest in subsidiaries		(288,000,000)	(288,000,000)
Capital injection to subsidiaries		(215,300,000)	(1,475,321,517)
Cash paid to acquire equity interest in subsidiaries	5(27)	(1,458,296,346)	(2,025,000,000)
Other cash paid relating to investing activities		—	(468,857)
Sub-total of cash outflows		(15,945,838,976)	(9,643,002,174)
Net cash flows used in investing activities		(15,373,732,526)	(8,789,184,667)

(To be continued)

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Items	Note	Consolidated	The Company
3. Cash flows from financing activities			
Cash received from investments		585,702,000	—
Including: cash received from minority shareholders' equity investments in subsidiaries		585,702,000	—
Cash received from borrowings		21,954,587,671	11,523,018,301
Other cash received relating to financing activities		4,944,866,599	4,936,136,600
Sub-total of cash inflows		27,485,156,270	16,459,154,901
Cash paid on repayment of borrowings		(16,954,988,277)	(10,371,051,717)
Cash payments of interest expenses, dividends and appropriation of profit		(5,305,441,844)	(3,712,947,692)
Including: Dividends paid to minority shareholders of subsidiaries		(318,252,306)	—
Other cash paid relating to financing activities		(22,500,000)	(22,500,000)
Sub-total of cash outflows		(22,282,930,121)	(14,106,499,409)
Net cash flows used in financing activities		5,202,226,149	2,352,655,492
4. Effect of foreign exchange rate changes on cash		(6,475,315)	(6,734,932)
5. Net increase/(decrease) in cash	5(1)	352,135,025	(497,781,858)

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For the year ended 31st December 2005

(All Amounts are stated in Rmb Yuan unless otherwise stated)

Supplementary Information	Consolidated	The Company
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	4,762,625,031	4,780,468,882
Add: Minority interests	811,013,498	—
Provision of asset impairment	51,880,605	39,348,316
Depreciation of fixed assets	5,831,395,519	3,950,552,247
Amortization of intangible assets	(214,901,807)	(220,199,907)
Amortization of long-term deferred expenses	11,093,159	2,879,238
Increase in deferred expenses	(6,000,533)	(5,296,574)
Increase in accrued expenses	33,913,540	6,695,419
Loss on disposal of fixed assets, intangible assets and other long-term assets	138,883,566	110,502,331
Financial expenses	1,258,672,767	526,347,908
Gain arising from investments	(228,664,410)	(1,296,696,904)
Increase in inventories	(831,577,542)	(543,368,785)
Increase in operating receivables items	(508,502,179)	(1,865,730,518)
(Decrease)/Increase in operating payables items	(579,714,497)	459,980,596
Net cash flows from operating activities	10,530,116,717	5,945,482,249
2. Investing and financing activities that do not involve cash receipts or payments		
Conversion of debt into capital	—	—
Reclassification of current portion of convertible notes to current liabilities	—	—
Fixed assets capitalized under finance leases	—	—
3. Net increase in cash		
Cash at end of year	2,647,665,997	713,396,158
Less: cash at beginning of year	(2,295,530,972)	(1,211,178,016)
Cash equivalents at end of year	—	—
Less: cash equivalents at beginning of year	—	—
Net increase/(decrease) in cash	352,135,025	(497,781,858)

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

Legal representative:
Li Xiaopeng

*Person in charge of
accounting function:*
Zhou Hui

*Person in charge of
accounting department:*
Huang Lixin