

Consolidated Cash Flow Statement

(Prepared under PRC accounting standards)

Year ended 31 December 2005

	Note V	2005 RMB	2004 RMB
1. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		39,284,980,552	33,873,192,804
Refunds of taxes		1,892,206	12,801,589
Cash received relating to other operating activities		2,335,575	7,317,252
Sub-total of cash inflows		39,289,208,333	33,893,311,645
Cash paid for goods and services		(27,295,972,571)	(22,697,057,168)
Cash paid to and on behalf of employees		(2,293,159,331)	(2,015,699,841)
Cash paid for all taxes		(3,067,212,822)	(2,192,122,883)
Cash paid relating to other operating activities	44	(461,922,093)	(886,155,039)
Sub-total of cash outflows		(33,118,266,817)	(27,791,034,931)
Net cash flows from operating activities		6,170,941,516	6,102,276,714
2. Cash flows from investing activities:			
Cash received from disposal of investments		2,860,000	2,660,000
Cash received from returns on investments		27,439,112	25,340,561
Net cash received from disposal of fixed assets, intangible assets and other long term assets		25,175,989	32,521,281
Cash received from retrieval of pledged deposits and overdue deposits		1,837,894	44,493,283
Cash received relating to other investing activities	45	6,700,000	–
Sub-total of cash inflows		64,012,995	105,015,125
Cash paid for acquisitions of fixed assets, intangible assets and other long term assets		(8,374,192,126)	(4,380,466,097)
Cash paid for acquisitions of investments		(338,831,800)	(4,400,000)
Cash paid for acquisition of businesses or a subsidiary	46	(149,773,584)	(11,511,295)
Increase in pledged deposits		(134,000,000)	–
Sub-total of cash outflows		(8,996,797,510)	(4,396,377,392)
Net cash flows from investing activities		(8,932,784,515)	(4,291,362,267)

The accompanying notes form an integral part of the financial statements

Consolidated Cash Flow Statement (continued)

(Prepared under PRC accounting standards)

Year ended 31 December 2005

	2005 RMB	2004 RMB
3. Cash flows from financing activities:		
Cash received from investments by others	23,267,121	20,479,162
Cash received from borrowings	<u>17,113,842,160</u>	<u>1,779,467,779</u>
Sub-total of cash inflows	17,137,109,281	1,799,946,941
Cash repayments of borrowings	(11,917,331,618)	(2,165,880,184)
Cash paid for distribution of dividend or profits and for interest expenses	<u>(1,448,410,583)</u>	<u>(1,650,990,875)</u>
Sub-total of cash outflows	(13,365,742,201)	(3,816,871,059)
Net cash flows from financing activities	<u>3,771,367,080</u>	<u>(2,016,924,118)</u>
4. Effect of foreign exchange rate changes on cash	<u>(73,130,570)</u>	<u>7,256,443</u>
5. Net increase/(decrease) in cash and cash equivalents	<u>936,393,511</u>	<u>(198,753,228)</u>

Consolidated Cash Flow Statement (continued)

(Prepared under PRC accounting standards)

Year ended 31 December 2005

	2005 RMB	2004 RMB
Supplementary information		
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	2,847,619,960	3,575,806,813
Add: Minority interests	40,871,867	12,571,745
Provision/(reversal of provision) for bad debts	553,755	(18,194,096)
Provision for inventories	75,464,166	10,401,537
Reversal of impairment provision for fixed assets	-	(15,411,808)
Depreciation of fixed assets	2,064,538,556	1,789,442,561
Amortisation of intangible assets	22,207,400	21,047,433
Increase/(decrease) in accrued charges	5,512,221	(24,818,550)
Loss on disposal of fixed assets, intangible assets and other long term assets, net	19,114,220	11,078,414
Financial expenses	185,623,276	398,232,149
Investment income	(18,745,330)	(147,188)
Increase in inventories	(368,513,624)	(2,384,790,928)
Decrease in receivables from operating activities	610,044,174	256,007,172
Increase in payables from operating activities	686,650,875	2,471,051,460
Net cash flows from operating activities	6,170,941,516	6,102,276,714
2. Investing and financing activities that do not involve cash receipts and payments:		
	-	-
3. Net increase/(decrease) in cash and cash equivalents:		
Cash and balances with financial institutions at end of year	3,109,269,252	2,172,875,741
Less: Cash and balances with financial institutions at beginning of year	(2,172,875,741)	(2,371,628,969)
Add: Balance of cash equivalents at end of year	-	-
Less: Balance of cash equivalents at beginning of year	-	-
Net increase/(decrease) in cash and cash equivalents	936,393,511	(198,753,228)

Company Representative:

Gu Jianguo

11 April 2006

Chief Accountant:

Su Jianguang

11 April 2006

Head of Accounting Department:

Guan Yagang

11 April 2006