

Company Cash Flow Statement

(Prepared under PRC accounting standards)

Year ended 31 December 2005

	2005 RMB	2004 RMB
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	37,739,760,196	33,165,191,425
Cash received relating to other operating activities	162,362	6,641,442
Sub-total of cash inflows	37,739,922,558	33,171,832,867
Cash paid for goods and services	(26,554,511,238)	(21,688,440,835)
Cash paid to and on behalf of employees	(2,263,759,724)	(2,005,943,925)
Cash paid for all taxes	(2,984,144,340)	(2,160,714,244)
Cash paid relating to other operating activities	(417,878,645)	(877,400,798)
Sub-total of cash outflows	(32,220,293,947)	(26,732,499,802)
Net cash flows from operating activities	5,519,628,611	6,439,333,065
2. Cash flows from investing activities:		
Cash received from disposal of investments	2,860,000	2,660,000
Cash received from returns on investments	23,706,774	24,313,677
Net cash received from disposal of fixed assets, intangible assets and other long term assets	24,657,443	32,333,303
Cash received from retrieval of pledged deposits and overdue deposits	1,514,316	43,287,158
Cash received relating to other investing activities	6,700,000	-
Sub-total of cash inflows	59,438,533	102,594,138
Cash paid for acquisitions of fixed assets, intangible assets and other long term assets	(7,917,624,948)	(4,306,765,307)
Cash paid for acquisitions of investments	(402,731,800)	(4,400,000)
Cash paid for acquisition of businesses or a subsidiary	(149,773,584)	(21,478,316)
Sub-total of cash outflows	(8,470,130,332)	(4,332,643,623)
Net cash flows from investing activities	(8,410,691,799)	(4,230,049,485)

Company 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 borrowings	<u>17,082,171,500</u>	<u>1,683,950,905</u>
Sub-total of cash inflows	<u>17,082,171,500</u>	<u>1,683,950,905</u>
Cash repayments of borrowings	<u>(11,827,756,881)</u>	<u>(2,158,608,025)</u>
Cash paid for distribution of dividend or profits and for interest expenses	<u>(1,434,377,888)</u>	<u>(1,644,065,286)</u>
Sub-total of cash outflows	<u>(13,262,134,769)</u>	<u>(3,802,673,311)</u>
Net cash flows from financing activities	<u>3,820,036,731</u>	<u>(2,118,722,406)</u>
4. Effect of foreign exchange rate changes on cash	<u>(63,026,186)</u>	<u>(9,248,260)</u>
5. Net increase in cash and cash equivalents	<u><u>865,947,357</u></u>	<u><u>81,312,914</u></u>

Company 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	2,786,663,009	3,573,507,015
Add: Provision/(reversal of provision) for bad debts	553,755	(18,249,258)
Provision for inventories	75,464,166	10,401,537
Reversal of impairment provision for fixed assets	–	(15,411,808)
Depreciation of fixed assets	2,047,886,228	1,783,861,084
Amortisation of intangible assets	20,594,665	20,565,038
Decrease in accrued charges	(771,591)	(24,728,131)
Loss on disposal of fixed assets, intangible assets and other long term assets, net	19,087,457	11,078,414
Financial expenses	170,878,906	408,041,465
Investment income	(187,482,534)	(74,511,553)
Increase in inventories	(213,973,630)	(2,362,646,935)
Decrease in receivables from operating activities	585,350,156	508,040,399
Increase in payables from operating activities	215,378,024	2,619,385,798
Net cash flows from operating activities	<u>5,519,628,611</u>	<u>6,439,333,065</u>
2. Investing and financing activities that do not involve cash receipts and payments:		
	–	–
3. Net increase in cash and cash equivalents:		
Cash and balances with financial institutions at end of year	2,622,161,115	1,756,213,758
Less: Cash and balances with financial institutions at beginning of year	(1,756,213,758)	(1,674,900,844)
Add: Balance of cash equivalents at end of year	–	–
Less: Balance of cash equivalents at beginning of year	–	–
Net increase in cash and cash equivalents	<u>865,947,357</u>	<u>81,312,914</u>

Company Representative:

Gu Jianguo

11 April 2006

Chief Accountant:

Su Jianguang

11 April 2006

Head of Accounting Department:

Guan Yagang

11 April 2006