

In RMB

Items	January to December 2005			
	2005		2004	
	Group	Company	Group	Company
1. Cash flows from operating activities:				
Cash received from sales of goods and rendering of services	7,129,575,549.04	4,080,221,576.35	9,152,702,388.00	6,841,331,737.00
Refund of tax and levies	152,272,459.93	–	527,197,037.00	–
Cash received from other operating activities	40,853,357.25	3,565,987.90	8,157,507.00	18,373,845.00
Sub-total of cash inflows	7,322,701,366.22	4,083,787,564.25	9,688,056,932.00	6,859,705,582.00
Cash paid for purchases of goods and services	6,439,788,889.33	3,305,697,634.70	7,072,321,751.00	5,841,331,699.00
Cash paid to and on behalf of employees	560,599,014.84	181,787,590.80	498,899,159.00	204,517,241.00
Tax paid	214,902,139.33	27,513,299.01	218,768,849.00	148,452,719.00
Cash paid for other operating activities	1,367,225,939.83	1,716,632,133.17	1,004,360,516.00	674,017,825.00
Sub-total of cash outflows	8,582,515,983.33	5,231,630,657.68	8,794,350,275.00	6,868,319,484.00
Net cash flows from operating activities	(1,259,814,617.11)	(1,147,843,093.43)	893,706,657.00	(8,613,902.00)
2. Cash flows from investing activities:				
Cash received from investment returns	–	–	8,286,133.00	4,822,916.00
Including: Cash received from acquisition of subsidiaries	–	–	–	–
Cash received from investment revenues	–	–	–	–
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	324,081.05	–	10,111,976.00	731,547.00
Other cash received from investing activities	29,442,938.48	17,737,617.96	38,831,794.00	30,585,243.00
Sub-total of cash inflows	29,767,019.53	17,737,617.96	57,229,903.00	36,139,706.00
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	120,304,960.51	7,202,725.09	509,145,375.00	39,077,237.00
Cash paid for acquisition of investments	–	–	55,532,548.00	359,225,800.00
Net cash paid for acquisition of subsidiaries	–	–	–	–
Cash paid for other investing activities	–	–	–	–
Sub-total of cash outflows	120,304,960.51	7,202,725.09	564,677,923.00	398,303,037.00
Net cash flows from investing activities	(90,537,940.98)	10,534,892.87	(507,448,020.00)	(362,163,331.00)

Statement of Cash Flows

For the Year ended 31 December 2005 (Prepared in accordance with PRC GAAP and Regulations)

Statement of Cash Flows

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For the Year ended 31 December 2005 (Prepared in accordance with PRC GAAP and Regulations)

In RMB

Items	January to December 2005			
	2005		2004	
	Group	Company	Group	Company
3. Cash flows from financing activities:				
Cash contribution from investment	-	-	44,300,000.00	-
Including: cash contribution from minority shareholders by subsidiaries	-	-	-	-
Cash received from borrowings	2,522,986,554.75	732,833,806.87	5,599,913,128.00	1,783,865,000.00
Cash received from other financing activities	1,199,773,514.60	945,006,116.61	93,405,960.00	318,523,968.00
Sub-total of cash inflows	3,722,760,069.35	1,677,839,923.48	5,737,619,088.00	2,102,388,968.00
Cash paid for repayment of borrowings	3,073,432,493.25	637,063,546.70	5,673,540,819.00	1,751,010,000.00
Cash paid for distribution of dividends, profit or interest expenses	132,224,492.48	69,406,851.03	154,626,987.00	79,981,855.00
Including: dividends paid to minority by subsidiaries	-	-	-	-
Cash received from reduction in registered capital	-	-	-	-
Including: cash paid to minority by subsidiaries for reduction of capital according to laws	-	-	-	-
Cash paid for other financing activities	-	-	-	-
Sub-total of cash outflows	3,205,656,985.73	706,470,397.73	5,828,167,806.00	1,830,991,855.00
Net cash flows from financing activities	517,103,083.62	971,369,525.75	(90,548,718.00)	271,397,113.00
4. Effect of foreign exchange rate changes on cash	-	-	(5,081,093.00)	(798,201.00)
5. Net increase in cash and cash equivalents	(833,249,474.47)	(165,938,674.81)	290,628,826.00	(100,178,321.00)

In RMB

Items	January to December 2005			
	2005		2004	
	Group	Company	Group	Company
1. Investing and financing activities not involving in cash receipts and payment				
Liabilities convert into assets	-	-	-	-
Convertible company bonds due within one year	-	-	-	-
Financing leased fixed assets	-	-	-	-
2. Reconciliation of net profit to cash flows from operating activities:				
Net profit	(3,693,615,437.69)	(3,822,902,225.58)	(245,798,150.77)	(264,263,187.49)
Add: Minority interests	(65,823,002.82)	-	(10,455,703.00)	-
Provision for impairment of assets	1,411,076,506.09	532,342,088.18	81,817,395.96	41,944,984.00
Depreciation of fixed assets	372,974,566.33	95,846,124.83	344,895,556.00	94,016,175.00
Amortisation of intangible assets	76,225,078.11	67,588,758.74	73,458,329.00	66,295,441.00
Amortisation of long-term deferred expenditure	41,334,081.88	25,424,842.04	28,005,331.00	18,827,932.00
Decrease in deferred expenditures	2,631,910.96	2,072,001.45	10,598,299.00	11,000,475.00
Increase of in accruals	153,484,692.22	130,024,702.54	(26,966,287.55)	(21,205,788.55)
Loss from disposal of fixed assets, intangible assets and other long-term assets	43,081,336.28	(16,420,896.09)	2,950,447.00	(597.00)
Losses on retirement of fixed assets	-	-	-	-
Financial expenses	166,678,613.83	84,733,127.57	119,991,915.00	50,194,814.00
Investment loss	(46,081,250.93)	(1,666,591,653.73)	83,108,297.00	(28,355,831.98)
Deferred tax creditor	-	-	-	-
Decrease in inventories	1,778,374,420.80	1,092,151,507.33	(1,387,317,832.27)	(501,173,130.27)
Decrease in operating receivables	(117,372,274.19)	3,113,797,384.62	71,419,675.63	(288,700,983.71)
Increase in operating payables	(1,382,783,857.98)	(785,908,855.33)	1,730,286,734.00	812,805,796.00
Spread other related party transactions	-	-	17,712,651.00	-
Net cash flows from operating activities	(1,259,814,617.11)	(1,147,843,093.43)	893,706,657.00	(8,613,902.00)
3. Net increase in cash and cash equivalents				
Cash at the end of the period	184,284,027.53	65,195,258.19	1,017,533,502.00	231,133,933.00
Less: Cash at the beginning of the period	1,017,533,502.00	231,133,933.00	726,904,676.00	331,312,254.00
Add: Cash equivalents at the end of the period	-	-	-	-
Less: Cash equivalents at the beginning of the period	-	-	-	-
Net increase in cash and cash equivalents	(833,249,474.47)	(165,938,674.81)	290,628,826.00	(100,178,321.00)

Statement of Cash Flows

For the Year ended 31 December 2005 (Prepared in accordance with PRC GAAP and Regulations)