

Notes to the Cash Flow Statements

(a) Reconciliation of net (loss) / profit to cash flows from operating activities

	Six-month period ended 30 June			
	The Group		The Company	
	2006	2005	2006	2005
	RMB'000	RMB'000	RMB'000	RMB'000
Net (loss) / profit	(27,560)	1,650,520	(27,560)	1,650,520
Provision for bad debts	3,087	1,978	(135)	-
Provision for inventories	33,407	(4,518)	33,407	-
Depreciation	927,585	879,306	798,858	767,561
Amortisation of intangible assets	6,724	6,724	6,724	6,724
Loss on disposal of fixed assets	73	1,810	678	1,230
Financial expenses	118,345	128,115	99,904	111,308
Investment (income) / losses	(243,826)	116,089	(299,806)	100,505
Deferred tax assets	(6,684)	-	(6,684)	-
Increase in inventories	(747,920)	(710,474)	(701,530)	(660,770)
(Increase) / decrease in operating receivables	(409,088)	142,502	(186,549)	199,081
Increase / (decrease) in operating payables	848,680	(467,997)	924,499	(252,172)
Minority interests	35,616	34,386	-	-
Net cash flows from operating activities	<u>538,439</u>	<u>1,778,441</u>	<u>641,806</u>	<u>1,923,987</u>

(b) Net decrease in cash and cash equivalents

	Six-month period ended 30 June			
	The Group		The Company	
	2006	2005	2006	2005
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at the end of the period	793,252	1,400,257	524,967	1,017,542
Less: Cash at the beginning of the period	1,347,237	1,690,500	821,564	1,163,399
Net decrease in cash and cash equivalents	<u>(553,985)</u>	<u>(290,243)</u>	<u>(296,597)</u>	<u>(145,857)</u>

The notes on pages 51 to 90 form part of these unaudited financial statements.