

# Cash Flow Statement

For the year ended 31st December 2006  
(Prepared in accordance with PRC Accounting Standards)  
(All amounts are stated in RMB Yuan unless otherwise stated)

| Items  | Note  | Consolidated     | The Company      |
|--|-------|------------------|------------------|
| <b>1. Cash flows generated from operating activities</b>                                       |       |                  |                  |
| Cash received from sales of goods and services rendered  |       | 51,364,369,244   | 32,425,434,138   |
| Other cash received relating to operating activities   |       | 106,427,644      | 101,930,904      |
| <b>Sub-total of cash inflows</b>   |       | 51,470,796,888   | 32,527,365,042   |
| Cash paid for goods and services received  |       | (27,338,586,880) | (17,661,407,753) |
| Cash paid to and on behalf of employees  |       | (2,788,883,063)  | (1,947,967,636)  |
| Payments of all types of taxes   |       | (6,201,177,079)  | (3,425,029,262)  |
| Other cash paid relating to operating activities   | 5(26) | (1,357,855,745)  | (886,777,979)    |
| <b>Sub-total of cash outflows</b>  |       | (37,686,502,767) | (23,921,182,630) |
| <b>Net cash flows generated from operating activities</b>                                      |       | 13,784,294,121   | 8,606,182,412    |
| <b>2. Cash flows generated from investing activities</b>                                       |       |                  |                  |
| Cash received on disposals of investments  |       | 2,757,206        | 2,757,206        |
| Cash received on investment income   |       | 482,617,063      | 1,133,500,586    |
| Net cash received from disposals of fixed assets, intangible assets and other long-term assets |       | 32,180,266       | 25,562,610       |
| Other cash received relating to investing activities   |       | 53,443,340       | 26,708,955       |
| <b>Sub-total of cash inflows</b>   |       | 570,997,875      | 1,188,529,357    |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets                |       | (16,285,991,220) | (7,573,815,842)  |
| Cash paid for investments other than subsidiaries  |       | (174,918,510)    | (148,651,510)    |
| Capital injection to subsidiaries  |       | —                | (772,510,000)    |
| <b>Sub-total of cash outflows</b>  |       | (16,460,909,730) | (8,494,977,352)  |
| <b>Net cash flows used in investing activities</b>   |       | (15,889,911,855) | (7,306,447,995)  |
| <b>3. Cash flows generated from financing activities</b>                                       |       |                  |                  |
| Cash received from investments   |       | 588,707,745      | —                |
| Including: cash received from minority shareholders' equity investments in subsidiaries        |       | 588,707,745      | —                |
| Cash received from borrowings  |       | 24,481,682,361   | 12,805,982,360   |
| Other cash received relating to financing activities   | 5(27) | 5,175,915,047    | 5,129,515,047    |
| <b>Sub-total of cash inflows</b>   |       | 30,246,305,153   | 17,935,497,407   |
| Cash paid on repayments of borrowings  |       | (21,560,825,903) | (14,565,696,087) |
| Cash paid for dividends, profit appropriation or interest expenses                             |       | (6,016,562,179)  | (3,947,606,164)  |
| Including: Dividends paid to minority shareholders of subsidiaries                             |       | (495,361,059)    | —                |
| <b>Sub-total of cash outflows</b>  |       | (27,577,388,082) | (18,513,302,251) |
| <b>Net cash flows generated from/(used in) financing activities</b>                            |       | 2,668,917,071    | (577,804,844)    |
| <b>4. Effect of foreign exchange rate changes on cash</b>                                      |       | (3,773,795)      | (2,161,086)      |
| <b>5. Net increase in cash</b>   | 5(1)  | 559,525,542      | 719,768,487      |

# Cash Flow Statement

For the year ended 31st December 2006  
(Prepared in accordance with PRC Accounting Standards)  
(All amounts are stated in RMB Yuan unless otherwise stated)

| Supplementary Information  | Consolidated          | The Company          |
|--|-----------------------|----------------------|
| <b>1. Reconciliation of net profit to cash flows from operating activities</b>             |                       |                      |
| Net profit   | 5,550,381,540         | 5,579,385,045        |
| Add: Minority interests  | 895,038,223           | —                    |
| (Reversal of)/provision for asset impairment   | (26,159,224)          | 11,291,239           |
| Depreciation on fixed assets   | 6,404,083,114         | 3,979,098,463        |
| Amortization on intangible assets  | (213,010,783)         | (218,214,603)        |
| Amortization on long-term deferred expenses  | 9,539,342             | 2,061,367            |
| Increase in deferred expenses  | (5,925,928)           | (4,730,700)          |
| Increase in accrued expenses   | 62,557,192            | 47,076,924           |
| Loss on disposal of fixed assets, intangible assets<br>and other long-term assets          | 104,763,374           | 18,016,891           |
| Financial expenses   | 1,681,515,161         | 502,561,595          |
| Investment income  | (267,682,943)         | (1,492,367,908)      |
| Decrease in inventories  | 188,085,995           | 144,784,082          |
| Increase in operating receivable items   | (939,175,500)         | (347,369,079)        |
| Increase in operating payable items  | 340,284,558           | 384,589,096          |
| <b>Net cash flows generated from operating activities</b>                                  | <b>13,784,294,121</b> | <b>8,606,182,412</b> |
| <b>2. Investing and financing activities that do not involve cash receipts or payments</b> |                       |                      |
| Conversion of debt into capital  | —                     | —                    |
| Reclassification of current portion of convertible notes                                   | —                     | —                    |
| Fixed assets capitalized under finance leases  | —                     | —                    |
| <b>3. Net increase in cash</b>   |                       |                      |
| Cash at end of year  | 3,207,191,539         | 1,433,164,645        |
| Less: cash at beginning of year  | (2,647,665,997)       | (713,396,158)        |
| <b>Net increase in cash</b>  | <b>559,525,542</b>    | <b>719,768,487</b>   |

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

|                              |   |   |
|------------------------------|---|---|
| <i>Legal representative:</i> | <i>Person in charge of<br/>accounting function:</i> | <i>Person in charge of<br/>accounting department:</i> |
| <b>Li Xiaopeng</b>           | <b>Zhou Hui</b>                                     | <b>Huang Lixin</b>                                    |