

Consolidated Cash Flow Statement

(Prepared under PRC Accounting Standards)

Year ender 31 December 2006

	Note V	2006 RMB	2005 RMB
1. Cash flows from operating activities:			
Cash received from sale of goods or rendering of services		44,077,721,477	39,284,980,552
Refunds of taxes		5,632,500	1,892,206
Cash received relating to other operating activities		73,699,849	2,335,575
Sub-total of cash inflows		44,157,053,826	39,289,208,333
Cash paid for goods and services		(32,681,829,481)	(27,295,972,571)
Cash paid to and on behalf of employees		(2,833,399,061)	(2,293,159,331)
Cash paid for all taxes		(2,942,129,860)	(3,067,212,822)
Cash paid relating to other operating activities	43	(416,891,551)	(461,922,093)
Sub-total of cash outflows		(38,874,249,953)	(33,118,266,817)
Net cash flows from operating activities		5,282,803,873	6,170,941,516
2. Cash flows from investing activities:			
Cash received from disposal of investments		30,222,330	2,860,000
Cash received from returns on investments		39,542,992	27,439,112
Net cash received from disposal of fixed assets, intangible assets and other long term assets		62,000,181	25,175,989
Cash received from retrieval of pledged deposits and overdue deposits		3,632,085	1,837,894
Cash received relating to other investing activities	44	116,566,523	6,700,000
Sub-total of cash inflows		251,964,111	64,012,995
Cash paid for acquisitions of fixed assets, intangible assets and other long term assets		(14,230,379,016)	(8,374,192,126)
Cash paid for acquisitions of investments		(13,500,000)	(338,831,800)
Cash paid for acquisition of businesses or a subsidiary	45	(44,917,194)	(149,773,584)
Increase in pledged deposits		(389,300,000)	(134,000,000)
Sub-total of cash outflows		(14,678,096,210)	(8,996,797,510)
Net cash flows from investing activities		(14,426,132,099)	(8,932,784,515)

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 2006

	2006 RMB	2005 RMB
3. Cash flows from financing activities:		
Cash received from capital contribution	317,982,830	23,267,121
Cash received from issue of bonds with warrants	5,355,650,000	–
Cash received from borrowings	<u>14,019,018,506</u>	<u>17,113,842,160</u>
Sub-total of cash inflows	<u>19,692,651,336</u>	<u>17,137,109,281</u>
Cash repayments of borrowings	(8,538,526,131)	(11,917,331,618)
Cash paid for distribution of dividend or profits and for interest expenses	<u>(1,432,295,804)</u>	<u>(1,448,410,583)</u>
Sub-total of cash outflows	<u>(9,970,821,935)</u>	<u>(13,365,742,201)</u>
Net cash flows from financing activities	<u>9,721,829,401</u>	<u>3,771,367,080</u>
4. Effect of foreign exchange rate changes on cash	<u>(58,202,373)</u>	<u>(73,130,570)</u>
5. Net increase in cash and cash equivalents	<u><u>520,298,802</u></u>	<u><u>936,393,511</u></u>

(Prepared under PRC Accounting Standards)
Year ender 31 December 2006

	Note V	2006 RMB	2005 RMB
Supplementary information			
1. Reconciliation of net profit to cash flows from operating activities:			
Net profit		2,276,585,903	2,847,619,960
Add: Minority interests		57,900,632	40,871,867
Provision/(reversal of provision) for doubtful debts		(9,230,087)	553,755
Provision/(reversal of provision) against inventories		(26,190,003)	75,464,166
Reversal of impairment of fixed assets		(19,611,200)	–
Reversal of impairment of construction in progress		(17,676,148)	–
Depreciation of fixed assets		2,325,398,867	2,064,538,556
Amortisation of intangible assets		32,367,033	22,207,400
Increase/(decrease) in accrued charges		(17,059,647)	5,512,221
Loss on disposal of fixed assets, intangible assets and other long term assets, net		11,196,092	19,114,220
Financial expenses		317,839,164	185,623,276
Investment income		(59,564,445)	(18,745,330)
Increase in inventories		(1,198,771,501)	(368,513,624)
Decrease in receivables from operating activities		781,458,204	610,044,174
Increase in payables from operating activities		828,161,009	686,650,875
Net cash flows from operating activities		5,282,803,873	6,170,941,516
2. Investing and financing activities that do not involve cash receipts and payments:			
Capital contributed in non-cash assets and liabilities by a minority shareholder	46	(202,312,595)	–
3. Net increase in cash and cash equivalents:			
Cash and balances with financial institutions at end of year		3,629,568,054	3,109,269,252
Less: Cash and balances with financial institutions at beginning of year		(3,109,269,252)	(2,172,875,741)
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		520,298,802	936,393,511

The accompanying notes form an integral part of the financial statements

Company Representative:
Gu Jianguo
17 April 2007

Chief Accountant:
Su Jianguang
17 April 2007

Head of Accounting Department:
Guan Yagang
17 April 2007