

Company Cash Flow Statement

(Prepared under PRC Accounting Standards)

Year ended 31 December 2006

	2006 RMB	2005 RMB
1. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	42,718,615,826	37,739,760,196
Cash received relating to other operating activities	67,303,463	162,362
Sub-total of cash inflows	<u>42,785,919,289</u>	<u>37,739,922,558</u>
Cash paid for goods and services	(32,315,507,490)	(26,554,511,238)
Cash paid to and on behalf of employees	(2,690,162,667)	(2,263,759,724)
Cash paid for all taxes	(2,767,606,519)	(2,984,144,340)
Cash paid relating to other operating activities	(361,795,997)	(417,878,645)
Sub-total of cash outflows	<u>(38,135,072,673)</u>	<u>(32,220,293,947)</u>
Net cash flows from operating activities	<u>4,650,846,616</u>	<u>5,519,628,611</u>
2. Cash flows from investing activities:		
Cash received from disposal of investments	30,222,330	2,860,000
Cash received from returns on investments	86,077,811	23,706,774
Net cash received from disposal of fixed assets, intangible assets and other long term assets	50,113,598	24,657,443
Cash received from retrieval of pledged deposits and overdue deposits	3,632,085	1,514,316
Cash received relating to other investing activities	116,566,523	6,700,000
Sub-total of cash inflows	<u>286,612,347</u>	<u>59,438,533</u>
Cash paid for acquisitions of fixed assets, intangible assets and other long term assets	(13,903,464,551)	(7,917,624,948)
Cash paid for acquisitions of investments	(337,695,000)	(402,731,800)
Cash paid for acquisition of businesses or a subsidiary	(57,404,685)	(149,773,584)
Sub-total of cash outflows	<u>(14,298,564,236)</u>	<u>(8,470,130,332)</u>
Net cash flows from investing activities	<u>(14,011,951,889)</u>	<u>(8,410,691,799)</u>

Company 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 issue of bonds with warrants	5,355,650,000	–
Cash received from borrowings	<u>13,820,000,000</u>	<u>17,082,171,500</u>
Sub-total of cash inflows	<u>19,175,650,000</u>	<u>17,082,171,500</u>
Cash repayments of borrowings	<u>(8,197,632,073)</u>	<u>(11,827,756,881)</u>
Cash paid for distribution of dividend or profits and for interest expenses	<u>(1,362,278,078)</u>	<u>(1,434,377,888)</u>
Sub-total of cash outflows	<u>(9,559,910,151)</u>	<u>(13,262,134,769)</u>
Net cash flows from financing activities	<u>9,615,739,849</u>	<u>3,820,036,731</u>
4. Effect of foreign exchange rate changes on cash	<u>(67,802,403)</u>	<u>(63,026,186)</u>
5. Net increase in cash and cash equivalents	<u><u>186,832,173</u></u>	<u><u>865,947,357</u></u>

(Prepared under PRC Accounting Standards)

Year ended 31 December 2006

Supplementary information

1. Reconciliation of net profit to cash flows from operating activities:

	2006 RMB	2005 RMB
Net profit	2,313,225,397	2,786,663,009
Add: Provision/(reversal of provision) for doubtful debts	(8,120,828)	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	2,247,979,821	2,047,886,228
Amortisation of intangible assets	23,452,602	20,594,665
Decrease in accrued charges	(2,615,206)	(771,591)
Loss on disposal of fixed assets, intangible assets and other long term assets, net	11,905,919	19,087,457
Financial expenses	293,640,270	170,878,906
Investment income	(257,408,373)	(187,482,534)
Increase in inventories	(1,134,459,364)	(213,973,630)
Decrease in receivables from operating activities	679,585,025	585,350,156
Increase in payables from operating activities	547,138,704	215,378,024
Net cash flows from operating activities	<u>4,650,846,616</u>	<u>5,519,628,611</u>

2. Investing and financing activities that do not involve cash receipts and payments:

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3. Net increase in cash and cash equivalents:

Cash and balances with financial institutions at end of year	2,808,993,288	2,622,161,115
Less: Cash and balances with financial institutions at beginning of year	(2,622,161,115)	(1,756,213,758)
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>186,832,173</u>	<u>865,947,357</u>

Company Representative:
Gu Jianguo
17 April 2007

Chief Accountant:
Su Jianguang
17 April 2007

Head of Accounting Department:
Guan Yagang
17 April 2007