

# Cash Flow Statement

(prepared under PRC accounting Standards and Systems)  
For the year ended 31st December 2002

Unit: RMB

Item of cash flow	Note	Consolidated	Parent company
<b>1. Cash flow from operating activities</b>			
Cash received from sales of goods or rendering of services		2,153,453,338.64	1,548,745,118.63
Refund of tax paid		119,926,908.62	100,479,390.58
Other cash received relating to operating activities		98,239,373.30	87,229,826.93
Sub-total of cash inflows		2,371,619,620.56	1,736,454,336.14
Cash paid for goods and services		2,309,553,040.21	1,793,517,409.00
Cash paid to and on behalf of employees		217,046,628.06	174,715,546.94
All tax paid		67,467,268.42	34,044,501.47
Other cash paid relating to operating activities	5(33)	163,280,090.19	100,034,927.64
Sub-total of cash outflows		2,757,347,026.88	2,102,312,385.05
<b>Net cash flow from operating activities</b>		<b>(385,727,406.32)</b>	<b>(365,858,048.91)</b>
<b>2. Cash flow from investing activities</b>			
Cash received from return of investments		2,946,100.03	2,946,100.03
Cash received from distribution of dividends or profits		1,336,212.71	1,336,212.71
Cash received from disposal of fixed assets, intangible assets, other long-term assets		1,417,268.46	1,407,844.11
Other cash received relating to investing activities		19,910.24	—
Subtotal of cash inflows		5,719,491.44	5,690,156.85
Cash paid to acquire fixed assets, intangible assets, other long-term assets		89,931,700.47	84,537,256.96
Cash paid to investments		65,000.00	—
Other cash paid relating to investing activities		3,255,646.51	3,255,646.51
Sub-total of cash outflows		93,252,346.98	84,537,256.96
<b>Net cash flow from investment activities</b>		<b>(87,532,855.54)</b>	<b>(78,847,100.11)</b>
<b>3. Cash flows from financing activities</b>			
Proceeds from issuing investments		—	—
Proceeds from borrowings		1,446,778,097.28	1,322,762,865.00
Other proceeds relating to financing activities		14,625,277.97	6,406,693.69
Sub-total of cash inflows		1,461,403,375.25	1,329,169,558.69
Cash repayment of amounts borrowed		923,826,800.54	838,634,000.00
Cash payments for distribution of dividends or profits, interest expenses		45,921,873.43	45,292,223.49
Other cash payments relating to financing activities		5,968,266.83	5,558,466.04
Sub-total of cash outflows		975,716,940.80	889,484,689.53
<b>Net cash flows from financing activities</b>		<b>485,686,434.45</b>	<b>439,684,869.16</b>
<b>4. Effect of foreign exchange rate changes on cash and bank balances</b>		<b>(291,279.62)</b>	<b>(200,008.67)</b>
<b>5. Net increase in cash and cash equivalents</b>		<b>12,134,892.97</b>	<b>(5,220,288.53)</b>

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Item of cash flow	Note	Consolidated	Parent company
<b>Additional information</b>			
<b>Item</b>			
<b>1. Reconciliation of net profit to cash flows from operating activities</b>			
<b>Net profit</b>		<b>15,916,851.36</b>	<b>15,758,959.46</b>
Add: Minority interests		(109,328.24)	—
Provision for diminution of assets		(53,303,539.96)	(73,980,515.63)
Depreciation of fixed assets		88,381,975.00	53,395,624.18
Amortization of intangible assets		5,059,930.82	2,537,411.80
Amortization of long-term deferred expenses		1,085,796.69	—
Decrease of deferred expenses(deduct: increase)		30,744.25	56,900.00
Increase of pre-operating expenses(deduct: decrease)		5,385,141.86	19,307,323.05
Losses on disposal of fixed assets, intangible assets and other long-term assets (deduct: decrease)		7,011.71	—
Losses on write off of fixed assets		48,212,125.29	46,023,680.06
Financial expenses		41,755,256.84	37,371,123.16
Losses from investments (deduct: income)		(2,010,428.81)	6,043,026.11
Deferred tax credit (deduct: assets)		—	—
Decrease in inventories (deduct: increase)		(234,328,114.02)	(292,979,005.27)
Decrease in operating receivables (deduct: increase)		(393,922,784.88)	(274,217,920.18)
Increase in operating payables (deduct: decrease)		(90,496,632.77)	(154,628,207.58)
Others		182,608,588.54	249,453,551.93
<b>Net cash flows from operating activities</b>		<b>(385,727,406.32)</b>	<b>(365,858,048.91)</b>
<b>1. Investing and financing activities not involving cash flows</b>			
Capital from debts		—	—
Company bonds changeable in one year		—	—
Financing or leasing fixed assets		—	—
<b>3. Net increase in cash and cash equivalents</b>			
Cash and bank balances at the end of the period		284,848,655.76	237,541,899.99
Less: cash and bank at the beginning of the period		272,713,762.79	242,762,188.52
Add: Cash equivalents at the end of the period		—	—
Less: cash equivalents at the beginning of the period		—	—
<b>Net increase in cash and cash equivalents</b>		<b>12,134,892.97</b>	<b>(5,220,288.53)</b>