

# CASH FLOW STATEMENT

For the year ended 31 December 2002

The financial statements prepared in accordance with the PRC Accounting Standards

ITEM	2002	
	Holding Company	Group
	Rmb	Rmb
<b>1. Cash Flows from Operating Activities</b>		
Cash received from sales of goods or rendering of services	3,707,439,007.79	4,149,027,574.14
Refund of taxes and levy	—	3,561,000.00
Other cash received relating to operating activities	137,093,561.26	101,256,666.00
<b>Sub-total of cash inflows</b>	3,844,532,569.05	4,253,845,240.14
Cash paid for goods and services	1,397,320,393.71	1,529,507,285.42
Cash paid to and on behalf of employees	576,500,924.41	583,622,964.96
Tax paid	247,067,872.23	252,167,622.59
Other cash paid relating to operating activities	151,546,004.71	147,958,593.08
<b>Sub-total of cash outflows</b>	2,372,435,195.06	2,513,256,466.05
<b>Net cash flows from operating activities</b>	1,472,097,373.99	1,740,588,774.09
<b>2. Cash Flows from Investing Activities</b>		—
Cash received from disposal of investments	4,500,550.00	4,500,550.00
Cash received from investment income	6,197,748.39	6,197,748.39
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	11,348,074.60	11,348,074.60
Other cash received relating to investing activities	27,929.25	27,929.25
<b>Sub-total of cash inflows</b>	22,074,302.24	22,074,302.24
Cash paid to acquire fixed assets, intangible assets and other long-term assets	914,705,347.47	990,169,822.97
Cash paid to acquire equity investment	56,097,150.00	4,498,550.00
Cash paid to acquire debt investment	—	—
Other cash paid relating to investing activities	405,000.00	405,000.00
<b>Sub-total of cash outflows</b>	971,207,497.47	995,073,372.97
<b>Net cash flows from investing activities</b>	-949,133,195.23	-972,999,070.73
<b>3. Cash Flows from Financing Activities</b>		—
Proceeds from issuing shares	826,000,000.00	828,541,400.00
Proceeds from borrowings	585,090,000.00	620,090,000.00
Other proceeds relating to financing activities	24,227,437.52	24,227,437.52
<b>Sub-total of cash inflows</b>	1,435,317,437.52	1,472,858,837.52
Cash out for the payment of loans	1,316,252,015.19	1,323,752,015.19
Cash payments of expenses on any financing activities	—	—
Cash payments for distribution of dividends or profits	333,219,046.59	333,352,572.84
Other cash payments relating to financing activities	310,539,409.80	310,539,409.80
<b>Sub-total of cash outflows</b>	1,960,010,471.58	1,967,643,997.83
<b>Net cash flows from financing activities</b>	-524,693,034.06	-494,785,160.31

## CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2002

The financial statements prepared in accordance with the PRC Accounting Standards

ITEM	2002	
	Holding Company	Group
	Rmb	Rmb
4. Effect of Foreign Exchange Rate Changes on Cash	8,917.54	7,207.54
5. Net Increase in Cash and Cash Equivalents	-1,719,937.76	272,811,750.59
<b>Supplemental Information</b>		
1. Reconciliation of Net profit to Cash		
Flows from Operating Activities		
Net profit	571,605,400.15	571,918,583.77
Add: minority interest	—	315,405.72
Less: unrecognized investment loss	—	—
Add: net profit from merged entity	—	—
Add: provision for assets	-3,378,385.55	-3,223,763.91
Depreciation of fixed assets	834,184,514.20	863,766,410.72
Amortization of intangible assets	316,469.70	316,460.70
Amortization of long-term deferred expense		
Amortization of deferred expense	6,895,226.00	6,625,826.52
Increase in accruals	-1,492,472.64	-1,492,472.64
Losses on disposal of fixed assets, intangible assets and other long-term assets (or deduct: gains)	1,477,546.15	1,477,546.15
Losses on scrapping of fixed assets		
Financial expenses	132,021,954.75	132,670,782.94
Losses arising from investments (or deduct: gains)	111,926,219.79	117,331,967.02
Deferred of tax credit (or deduct: debit)		
Decrease in inventories (or deduct: increase)	-5,477,317.08	-7,856,621.42
Decrease in operating receivables (or deduct: increase)	-109,245,744.67	107,076,918.83
Increase in operating payables (or deduct: decrease)	-71,216,799.63	-52,819,033.13
Others	4,480,762.82	4,480,762.82
<b>Net Cash flows from operating activities</b>	<b>1,472,097,373.99</b>	<b>1,740,588,774.09</b>
2. Investing and financing activities that do not involving cash receipts and payments		
Conversion of debt into capital		
Reclassify convertible bonds to be expired within one year as current liability		
Fixed assets financed by finance leases		
3. Net Increase in Cash and Cash Equivalents		
Cash at the end of the period	413,776,711.13	715,004,263.34
Less: Cash at the beginning of the period	415,496,648.89	442,192,512.75
Plus: 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>-1,719,937.76</b>	<b>272,811,750.59</b>