

# CASH FLOW STATEMENT

(prepared under PRC accounting Standards and Systems)  
2003

Unit: RMB

Item of cash flow	Notes	Consolidated	2003 Parent Company
<b>1. Cash flow from operating activities</b>			
Cash received from sales of goods of rendering of services		3,705,254,381.64	2,926,593,644.20
Refund of tax paid		206,785,906.20	142,395,263.78
Other cash received relating to operating activities		267,030,420.52	247,151,371.51
Sub-total of cash inflows		4,179,070,708.36	3,316,140,279.49
Cash paid for goods and services		2,751,796,538.52	2,035,864,452.82
Cash paid to and on behalf of employees		255,116,803.62	214,684,175.13
All tax paid		53,173,204.08	34,784,513.32
Other cash paid relating to operating activities	5(32)	370,937,255.87	281,090,682.70
Sub-total of cash outflows		3,431,023,802.09	2,566,423,823.97
<b>Net cash flow from operating activities</b>		<b>748,046,906.27</b>	<b>749,716,455.52</b>
<b>2. Cash flow from investing activities</b>			
Cash received from return of investments		—	—
Cash received from distribution of dividends or profits		1,033,501.54	1,033,501.54
Cash received from disposal of fixed assets, intangible assets, other long-term assets		1,360,453.89	1,360,453.89
Other cash received relating to investing activities		15,091.98	1,241.90
Subtotal of cash inflows		2,409,047.41	2,395,197.33
Cash paid to acquire fixed assets, intangible assets, other long-term assets		28,772,983.72	25,849,309.10
Cash paid to investments		—	—
Other cash paid relating to investing activities		2,421.78	2,421.78
Sub-total of cash outflows		28,775,405.50	25,851,730.88
<b>Net cash flow from investment activities</b>		<b>(26,366,358.09)</b>	<b>(23,456,533.55)</b>
<b>3. Cash flows from financing activities</b>			
Proceeds from issuing investments		9,301.04	—
Proceeds from borrowings		1,677,116,550.56	1,438,307,600.00
Other proceeds relating to financing activities		91,861,359.81	2,405,890.80
Sub-total of cash inflows		1,768,987,211.41	1,440,713,490.80
Cash repayment of amounts borrowed		2,297,022,398.41	2,021,946,050.00
Cash Payments for distribution of dividends or profits, interest expenses		42,962,073.66	41,110,166.51
Other cash payments relating to financing activities		43,483,249.75	393,079.69
Sub-total of cash outflows		2,383,467,721.82	2,063,449,296.20
<b>Net cash flows from financing activities</b>		<b>(614,480,510.41)</b>	<b>(622,735,805.40)</b>
<b>4. Effect of foreign exchange rate changes on cash and bank balances</b>		<b>(513,386.09)</b>	<b>(342,694.72)</b>
<b>5. Net increase in cash and cash equivalents</b>		<b>106,686,651.68</b>	<b>103,181,421.85</b>

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## Additional information

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

Net Profit	43,051,774.75	41,786,019.04
Add: minority interests	(99,924.93)	—
Provision for diminution of assets	15,961,907.84	15,407,565.92
Depreciation of fixed assets	82,419,305.40	68,813,497.79
Amortization of intangible assets	7,212,290.51	6,938,475.59
Amortization of long-term deferred expenses	593,000.50	99,499.92
Decrease of deferred expenses (deduct: increase)	(250,054.49)	146,850.00
Increase of pre-operating expenses (deduct: decrease)	(25,385,066.77)	85,686.54
Losses on disposal of fixed assets, intangible assets and other long-term assets (deduct: decrease)	—	—
Losses on write off of fixed assets	3,521,640.85	1,426,113.70
Financial expenses	40,246,035.17	38,506,497.76
Losses from investments (deduct: income)	(3,343,600.48)	(7,493,032.95)
Deferred tax credit (deduct: assets)	—	—
Decrease in inventories (deduct: increase)	352,365,832.54	252,039,901.50
Decrease in operating receivables (deduct: increase)	392,053,436.49	429,973,963.96
Increase in operating payables (deduct: decrease)	(305,132,050.60)	(296,380,579.19)
Others	144,832,379.49	198,365,995.94
<b>Net cash flows form operating activities</b>	<b>748,046,906.27</b>	<b>749,716,455.52</b>

### 2. Investing and financing activities not involving cash flows

Capital from debts	—	—
Company bonds changeable in one year	—	—
Financing or leasing fixed assets	—	—

### 3. Net increase in cash and cash equivalents

Cash and bank balances at the end of the period	391,535,307.44	340,723,321.84
Less: cash and bank at the beginning of the period	284,848,655.76	237,541,899.99
Add: cash equivalents at the end of the period	—	—
Less: cash equivalents at the beginning of the period	—	—

<b>Net increase incash and cash equivalents</b>	<b>106,686,651.68</b>	<b>103,181,421.85</b>
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