

CASH FLOW STATEMENT

(prepared under PRC accounting Standards and Systems)
2004

Unit: RMB

Item	Note	Consolidated	Parent Company
1. Cash flow from operating activities			
Cash received from sales of goods of rendering of services		2,910,234,002.61	2,501,580,324.50
Refund of tax paid		304,689,487.28	304,670,915.40
Other cash received relating to operating activities		175,112,518.87	146,609,529.22
Sub-total of cash inflows		3,390,036,008.76	2,952,860,769.12
Cash paid for goods and services		2,603,187,806.10	2,281,398,752.93
Cash paid to and on behalf of employees		250,463,512.95	221,851,659.43
Total tax paid		49,784,825.59	42,478,433.96
Other cash paid relating to operating activities	(V)32	281,288,106.27	233,498,795.32
Sub-total of cash outflows		3,184,724,250.91	2,779,227,641.64
Net cash flow from operating activities		205,311,757.85	173,633,127.48
2. Cash flow from investing activities			
Cash received from return of investments		6,875,359.57	6,875,359.57
Include: Cash received from sell of subsidiaries		—	—
Cash received from distribution of dividends or profits		1,103,549.23	1,103,549.23
Cash received from disposal of fixed assets, intangible assets, other long-term assets		1,447,849.47	1,447,849.47
Other cash received relating to investing activities		14,504.02	—
Subtotal of cash inflows		9,441,262.29	9,426,758.27
Cash paid to acquire fixed assets, intangible assets, other long-term assets		39,352,336.30	37,045,310.82
Cash paid to investments		10,400,000.00	—
Other cash paid relating to investing activities		—	—
Sub-total of cash outflows		49,752,336.30	37,045,310.82
Net cash flow from investment activities		-40,311,074.01	-27,618,552.55
3. Cash flows from financing activities			
Proceeds from issuing investments		9,500,000.00	—
Include: Proceeds from minority interest investments		—	—
Proceeds from borrowings		834,068,842.70	697,604,016.00
Other proceeds relating to financing activities		3,432,719.37	3,426,064.42
Sub-total of cash inflows		847,001,562.07	701,030,080.42
Cash repayment of amounts borrowed		990,324,469.61	850,336,436.00
Cash Payments for distribution of dividends or profits, interest expenses		18,432,499.36	18,432,499.36
Include: Payments for minority dividends		—	—
Other cash payments relating to financing activities		19,293,946.74	1,055,505.28
Include: Subsidiaries cash payments for minority because of decreasing capital		—	—
Sub-total of cash outflows		1,028,050,915.71	869,824,440.64
Net cash flows from financing activities		-181,049,353.64	-168,794,360.22
4. Effect of foreign exchange rate changes on cash and bank balances		2,213,846.51	2,215,522.96
5. Net increase in cash and cash equivalents		-13,834,823.29	-20,564,262.33

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Additional information			
1. Reconciliation of net profit to cash flows from operating activities			
Net Profit		33,672,983.77	33,830,213.12
Add: minority interests		-2,498,640.12	–
Less: unconfirmed investment loss			
Add: provision for diminution of assets		-12,351,853.05	-10,529,458.13
Depreciation of fixed assets		85,806,418.79	102,733,458.52
Amortization of intangible assets		4,129,436.52	3,535,786.92
Amortization of long-term deferred expenses		826,860.50	99,499.92
Decrease of deferred expenses (deduct: increase)		445,396.19	445,396.19
Increase of pre-operating expenses (deduct: decrease)		-9,497,802.38	-10,007,450.11
Losses on disposal of fixed assets, intangible assets and other long-term assets (deduct: decrease)		-5,322,682.30	-5,322,682.30
Losses on write off of fixed assets		-206,601.94	-3,130,246.21
Financial expenses		19,512,715.14	20,540,424.93
Losses from investments (deduct: income)		291,128.96	1,923,112.59
Deferred tax credit (deduct: loan)		–	–
Decrease in inventories (deduct: increase)		-151,498,719.27	-151,288,569.46
Decrease in operating receivables (deduct: increase)		383,899,847.71	173,033,095.38
Increase in operating payables (deduct: decrease)		-132,781,685.59	21,510,825.10
Others		-9,115,044.81	-3,740,278.98
Net cash flows form operating activities		205,311,757.85	173,633,127.48
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		377,700,484.15	320,159,059.51
Less: cash and bank balances at the beginning of the period		391,535,307.44	340,723,321.84
Add: cash equivalents at the end of the period		–	–
Less: cash equivalents at the beginning of the period		–	–
Net increase of cash or cash equivalents		-13,834,823.29	-20,564,262.33