

CASH FLOW STATEMENT

2005

Unit: RMB

Item	Consolidated	Parent Company
1. Cash flow from operating activities		
Cash received from sales of goods of rendering of services	3,694,999,135.79	3,237,186,839.49
Refund of tax paid	259,753,660.94	254,263,794.12
Other cash received relating to operating activities	324,074,232.63	312,399,839.63
Sub-total of cash inflows	4,278,827,029.36	3,803,850,473.24
Cash paid for goods and services	2,826,301,787.28	2,439,090,289.48
Cash paid to and on behalf of employees	245,597,101.11	211,506,915.03
Total tax paid	50,340,046.27	38,807,034.50
Other cash paid relating to operating activities	311,011,235.81	287,639,446.84
Sub-total of cash outflows	3,433,250,170.47	2,977,043,685.85
Net cash flow from operating activities	845,576,858.89	826,806,787.39
2. Cash flow from investing activities		
Cash received from return of investments	13,610,511.99	13,610,511.99
Include: Cash received from sell of subsidiaries	13,523,740.00	13,523,740.00
Cash received from distribution of dividends or profits	1,420,498.80	1,420,498.80
Cash received from disposal of fixed assets, intangible assets, other long-term assets	938,774.43	938,774.43
Other cash received relating to investing activities	—	—
Subtotal of cash inflows	15,969,785.22	15,969,785.22
Cash paid to acquire fixed assets, intangible assets, other long-term assets	88,932,013.52	81,175,993.21
Cash paid to investments	—	—
Other cash paid relating to investing activities	—	—
Sub-total of cash outflows	88,932,013.52	81,175,993.21
Net cash flow from investment activities	-72,962,228.30	-65,206,207.99
3. Cash flows from financing activities		
Proceeds from issuing investments	—	—
Include: Proceeds from minority interest investments	—	—
Proceeds from borrowings	428,375,254.48	347,701,900.00
Other proceeds relating to financing activities	5,426,443.74	4,672,427.35
Sub-total of cash inflows	433,801,698.22	352,374,327.35
Cash repayment of amounts borrowed	919,770,527.15	839,097,172.67
Cash Payments for distribution of dividends or profits, interest expenses	18,135,298.58	18,135,298.58
Include: Payments for minority dividends	—	—
Other cash payments relating to financing activities	1,931,658.50	1,619,318.20
Include: Subsidiaries cash payments for minority because of decreasing capital	—	—
Sub-total of cash outflows	939,837,484.23	858,851,789.45
Net cash flows from financing activities	-506,035,786.01	-506,477,462.10
4. Effect of foreign exchange rate changes on cash and bank balances	150,621.05	595,891.28
5. Net increase in cash and cash equivalents	266,729,465.63	255,719,008.58

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Additional information

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

Net Profit	98,193,259.73	97,730,510.40
Add: minority interests	5,243,891.02	—
Less: unconfirmed investment loss	—	—
Add: provision for diminution of assets	-32,081,018.78	-32,295,199.91
Depreciation of fixed assets	83,781,578.29	74,786,236.28
Amortization of intangible assets	3,817,207.65	3,735,571.83
Amortization of long-term deferred expenses	973,642.07	—
Decrease of deferred expenses (deduct: increase)	215,016.85	17,620.00
Increase of pre-operating expenses (deduct: decrease)	-1,691,732.97	-1,932,634.65
Losses on disposal of fixed assets, intangible assets and other long-term assets (deduct: decrease)	2,518,063.67	2,294,586.42
Losses on write off of fixed assets	304,649.32	161,403.78
Financial expenses	32,669,285.54	31,531,102.20
Losses from investments (deduct: income)	-1,329,145.58	-8,354,804.92
Deferred tax credit (deduct: loan)	—	—
Decrease in inventories (deduct: increase)	48,088,961.47	59,979,486.85
Decrease in operating receivables (deduct: increase)	-46,779,337.00	-51,947,825.06
Increase in operating payables (deduct: decrease)	684,215,649.09	680,828,264.67
Others	-32,563,111.48	-29,727,530.50
Net cash flows form operating activities	845,576,858.89	826,806,787.39

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	644,429,949.78	575,878,068.09
Less: cash and bank balances at the beginning of the period	377,700,484.15	320,159,059.51
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	266,729,465.63	255,719,008.58