

Consolidated Cash Flow Statement

(Prepared under Hong Kong accounting standards)

Year ended 31 December 2002

	Notes	2002 RMB'000	2001 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		403,194	241,016
Adjustments for:			
Finance costs	8	101,902	150,762
Interest income	7	(19,150)	(22,308)
Investment income from listed investments	7	(6,836)	(2,442)
Depreciation	7	862,514	830,207
Amortisation of deferred staff costs	7	17,600	17,600
Unrealised loss on changes in fair values of short term investments	7	492	1,772
Loss on disposal of fixed assets	7	222,087	62,994
Provision for impairment of fixed assets	7	236,247	104,887
Write-off of construction in progress	7	–	95,834
Provision for impairment of construction in progress, net	7	–	7,000
Provision for inventories	7	72,446	–
Provision for doubtful debts	7	41,360	95,550
Exchange gains, net	7	(2,628)	(797)
Operating profit before working capital changes		1,929,228	1,582,075
Decrease in inventories		61,551	244,242
Decrease/(increase) in trade and bill receivables		313,308	(358,528)
Decrease/(increase) in prepayments, deposits and other receivables		49,567	(334,097)
Purchases of short term investments		(100,000)	(107,596)
Disposal of short term investments		200,000	–
Increase in trade payables		245,468	107,401
Increase in other payables and accruals		119,471	287,599
Pension benefits and housing subsidies provisions movement, net		(73,726)	(71,812)
Cash generated from operations		2,744,867	1,349,284
Income tax paid		(55,212)	(65,293)
Net cash inflow from operating activities		2,689,655	1,283,991
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		19,150	25,242
Investment income from listed investments	7	6,836	2,442
Purchases of fixed assets and additions to construction in progress		(2,597,465)	(920,595)
Proceeds from disposal of fixed assets		18,192	11,430
Purchases of long term investments		(100)	(1,000)
Disposal of long term investments		1,600	–
Decrease/(increase) in time deposits with original maturity of more than three months		429,601	(381,650)
Decrease in pledged time deposits		4,840	–
Decrease/(increase) in pledged deposits		(27,796)	35,866
Net cash outflow from investing activities		(2,145,142)	(1,228,265)

Consolidated Cash Flow Statement (continued)

(Prepared under Hong Kong accounting standards)

Year ended 31 December 2002

	Notes	2002 RMB'000	2001 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings		1,443,490	1,208,772
Repayment of bank borrowings		(1,612,675)	(2,064,417)
Government subsidies granted for specific construction projects		40,000	426,920
Interest paid		(133,113)	(140,355)
Dividend paid		(129,106)	(129,106)
Net cash outflow from financing activities		(391,404)	(698,186)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		153,109	(642,460)
Cash and cash equivalents at beginning of year		731,731	1,374,346
Effect of foreign exchange rate changes, net		5,332	(155)
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		890,172	731,731
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
	32(d)		
Cash and bank balances		890,172	651,731
Non-pledged time deposits with original maturity of less than three months when acquired		–	80,000
		890,172	731,731
RECONCILIATION OF BALANCES OF CASH AND CASH EQUIVALENTS TO CASH AND BANK BALANCES			
Cash and balances with financial institutions, net of provision	25	1,074,104	1,322,172
Less: Non-pledged time deposits with original maturity of more than three months	25	(147,859)	(577,360)
Pledged deposits	25, 32(c)	(27,796)	–
Pledged time deposits	25, 32(c)	(8,277)	(13,081)
		890,172	731,731