

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2002

Note	2002 RMB'000	2001 RMB'000
Operating activities		
Profit before taxation	156,058	99,598
Adjustments for:		
Loss on disposal of property, plant and equipment	1,196	143
Deficit on revaluation of property, plant and equipment	113	–
Depreciation of property, plant and equipment	23,853	12,887
Amortisation of goodwill	906	410
Release of negative goodwill	(96)	(96)
Interest income	(5,189)	(2,875)
Interest expenses	13,851	10,318
Operating cash flows before movements in working capital	190,692	120,385
Increase in inventories	(6,927)	(12,669)
Increase in trade and other receivables	(16,169)	(20,395)
Increase in amounts due from customers for contract work	(38,105)	(7,635)
(Increase) decrease in amounts due from related companies	(12,609)	71,433
Decrease in amount due from ultimate holding company	–	3,492
Increase (decrease) in trade and other payables	52,139	(1,015)
Increase in amounts due to customers for contract work	29,272	10,859
Increase (decrease) in amounts due to related companies	5,200	(76,822)
Cash generated from operating activities	203,493	87,633
Interest received	5,189	2,875
Bank interest paid	(13,851)	(10,318)
PRC enterprise income tax paid	(6,495)	(14,813)
Tax refunded	–	5,180
Net cash from operating activities	188,336	70,557
Investing activities		
Purchase of property, plant and equipment	(420,361)	(111,154)
Acquisition of subsidiaries	(6,532)	(31,420)
Acquisition of a business operation	(5,000)	–
Investment in a jointly controlled entity	(2,500)	–
Increase in interests in subsidiaries	–	(11,390)
Proceeds from disposal of property, plant and equipment	–	2,907
Net cash used in investing activities	(434,393)	(151,057)

	2002 <i>RMB'000</i>	2001 <i>RMB'000</i>
Financing activities		
Proceeds from shares issued	355,630	252,333
Share issue expenses	(13,083)	(38,868)
Contribution from minority shareholders	8,294	1,333
Dividends paid to minority shareholders	–	(2,975)
Advances from minority shareholders	43,418	–
New loans raised	423,319	86,977
Repayment of bank loans	(122,457)	(75,194)
Net cash from financing activities	695,121	223,606
Net increase in cash and cash equivalents	449,064	143,106
Cash and cash equivalents at beginning of the year	182,472	39,366
Cash and cash equivalents at end of the year	631,536	182,472
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	631,536	182,472