

# Notes to the Consolidated Cash Flow Statement

For the year ended 31 December 2002

(Amounts expressed in thousands)

## (a) Reconciliation of profit from ordinary activities before taxation to cash generated from operations

	2002	2001
	<i>RMB</i>	<i>RMB</i>
<b>Profit from ordinary activities before taxation</b>	<b>1,393,066</b>	622,029
<i>Adjustments for:</i>		
Provision for impairment of other investments	13,272	–
Net loss on disposal of property, plant and equipment	54,278	33,121
Net loss /(gain) on disposal of associates and other investments	2,459	(10,615)
Amortisation of lease prepayments	893	4,345
Depreciation of property, plant and equipment	748,560	874,649
Share of profits less losses from associates	(9,832)	(3,106)
Dividend income from other investments	(5,983)	(8,103)
Interest expense	69,285	163,236
Interest income	(5,574)	(42,296)
<b>Operating profit before changes in working capital</b>	<b>2,260,424</b>	1,633,260
Decrease in inventories	125,075	163,130
(Increase)/decrease in trade receivables-third parties	(220,804)	54,652
(Increase)/decrease in other receivables, deposits and prepayments	(154,513)	70,925
(Increase)/decrease in amounts due from associates	(10,547)	11,732
Decrease/(increase) in amounts due from parent companies and fellow subsidiaries	45,747	(175,331)
Increase in lease prepayments	(14,648)	(7,881)
Increase/(decrease) in trade payables-third parties	55,532	(196,296)
Increase in accruals and other payables	88,276	38,298
Increase in amounts due to associates	5,012	–
Increase/(decrease) in amounts due to parent companies and fellow subsidiaries	92,047	(125,943)
Increase/(decrease) in other taxes payable	276,365	(261,654)
Decrease in other non-current liabilities	(42)	(163,027)
<b>Cash generated from operations</b>	<b>2,547,924</b>	1,041,865