

# Financial Statements

## CONSOLIDATED CASH FLOW STATEMENT

		Year ended 31 December	
	Notes	2002 RMB'000	2003 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		461,058	853,442
Adjustments for:			
Finance costs	10	101,506	157,797
Exchange losses, net		3,585	7,429
Negative goodwill recognised as income	18	(374)	(2,990)
Interest income	5	(9,340)	(12,048)
Depreciation	16	121,195	287,495
Amortisation of intangible assets	17	300	1,200
Provision for bad and doubtful debts	6	4,182	7,031
Provision against inventories	6	14,851	11,832
Operating profit before working capital changes		696,963	1,311,188
Increase in inventories		(333,357)	(1,346,079)
Increase in trade receivables		(4,680)	(248,530)
Decrease/(increase) in prepayments, deposits and other receivables		26,870	(201,461)
Increase in trade payables		176,412	449,956
Increase/(decrease) in bills payable		24,540	(347,943)
Increase/(decrease) in other payables and accruals		113,746	(44,341)
Increase in net amount due to the immediate holding company		84,602	69,945
Increase in net amounts due from related parties		(226,190)	(136,081)
Cash generated from/(used in) operations		558,906	(493,346)
Decrease/(increase) in other long term assets		(16,047)	96,250
Interest paid	10	(101,506)	(162,597)
PRC corporate income tax paid		(122,679)	(171,160)
Net cash inflow/(outflow) from operating activities		318,674	(730,853)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	5	9,340	12,048
Purchases of fixed assets		(354,263)	(2,787,680)
Proceeds from disposal of fixed assets		—	996
Net cash inflow from the acquisition of a subsidiary	33(a)	13,997	—
Decrease/(increase) in pledged time deposits		(362,159)	246,833
Net cash outflow from investing activities		(693,085)	(2,527,803)

	Notes	Year ended 31 December	
		2002 RMB'000	2003 RMB'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		2,265,143	4,678,563
Proceeds from issue of share capital	31(b)	—	2,604,799
Share issue expenses	31(b)	—	(93,627)
Repayment of bank loans		(1,807,574)	(2,559,492)
Dividends paid		(129,636)	—
Dividends paid to a minority shareholder		(3,397)	—
Proceeds from capital contributions by minority shareholders		8,277	400
Net cash inflow from financing activities		332,813	4,630,643
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		(41,598)	1,371,987
Cash and cash equivalents at beginning of year		212,818	167,635
Effect of foreign exchange rate changes, net		(3,585)	(7,429)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	25	167,635	1,532,193
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	25	167,635	1,278,193
Non-pledged time deposits with original maturity of three months when acquired	25	—	254,000
	25	167,635	1,532,193