

# Consolidated Statement of Cash Flows

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FOR THE YEAR ENDED DECEMBER 31, 2003  
(Amounts expressed in thousands of Renminbi)

|   | Note | 2003             | 2002      |
|---|------|------------------|-----------|
| <b>Cash flows from operating activities</b>                   |      |                  |           |
| Cash generated from operations                                | 28   | 570,912          | 625,623   |
| Enterprise income tax paid                                    |      | (19,344)         | (3,149)   |
| <b>Net cash provided by operating activities</b>              |      | <b>551,568</b>   | 622,474   |
| <b>Cash flows from investing activities</b>                   |      |                  |           |
| Purchases of property, plant, equipment and intangible assets |      | (307,134)        | (68,008)  |
| Decrease/(Increase) in short-term bank deposits               |      | 34,492           | (23,305)  |
| Interest income   |      | 3,000            | —         |
| Dividends received from associated companies                  |      | 2,615            | 509       |
| Proceeds from disposal of property, plant and equipment       |      | 1,591            | 1,027     |
| Investment to related party                                   |      | (6,150)          | (2,000)   |
| Increase in other long-term assets                            |      | (845)            | (2,868)   |
| <b>Net cash used in investing activities</b>                  |      | <b>(272,431)</b> | (94,645)  |
| <b>Cash flows from financing activities</b>                   |      |                  |           |
| Investment from minority shareholders of subsidiaries         |      | —                | 3,430     |
| Dividend paid to group shareholders                           |      | (137,125)        | (274,169) |
| Disbursement for other financing activities                   |      | (482)            | (486)     |
| <b>Net cash used in financing activities</b>                  |      | <b>(137,607)</b> | (271,225) |
| <b>Net increase in cash and cash equivalents</b>              |      | <b>141,530</b>   | 256,604   |
| <b>Cash and cash equivalents, beginning of year</b>           |      | <b>1,893,422</b> | 1,636,818 |
| <b>Cash and cash equivalents, end of year</b>                 | 22   | <b>2,034,952</b> | 1,893,422 |

The accompanying notes are an integral part of these financial statements.