

# Consolidated Cash Flow Statement

For the year ended 31 December 2003

	Notes	2003 RMB'000	2002 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit before tax		<b>154,563</b>	161,456
Adjustments for:			
Net finance costs	6	<b>2,120</b>	18,816
Loss on disposal of property, plant and equipment		<b>674</b>	–
Depreciation and amortisation	4	<b>35,044</b>	30,306
Negative goodwill recognised as income, including amortisation of negative goodwill	15	<b>(37)</b>	(2,549)
Amortisation of goodwill	15	<b>69</b>	–
Operating profit before working capital changes		<b>192,433</b>	208,029
Increase in accounts receivable		<b>(21,223)</b>	(6,088)
Increase in provision for doubtful debts		<b>1,876</b>	1,172
Increase in accounts payable		<b>849</b>	116
(Increase)/decrease in inventories		<b>(556)</b>	334
Decrease/(increase) in prepayments, deposits and other receivables		<b>16,125</b>	(22,188)
Decrease/(increase) in amounts due from related parties		<b>9,790</b>	(71,814)
Increase in amounts due to related parties		<b>8,537</b>	–
Increase in accrued liabilities and other payables		<b>2,297</b>	21,602
(Decrease)/increase in deposits received		<b>(2,491)</b>	1,247
(Decrease)/increase in airport fee payable		<b>(8,490)</b>	16,357
Cash flow from operating activities		<b>199,147</b>	148,767
Interest paid		<b>(11,882)</b>	(18,980)
Income tax paid		<b>(52)</b>	–
Dividends paid		<b>(98,427)</b>	(44,334)
Net cash inflows from operating activities		<b>88,786</b>	85,453

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		5,075	128
Acquisition of subsidiaries, net of cash acquired	14	(9,800)	(810)
Purchases of held-to-maturity financial assets	18	(300,000)	–
Proceeds from disposal of held-to-maturity financial assets		212,365	–
Purchases of available-for-sale financial assets		(398,829)	–
Proceeds from disposal of available-for-sale financial assets		398,912	–
Purchases of property, plant and equipment		(11,523)	(152,722)
Proceeds from disposal of property, plant and equipment		32	–
Increase in time deposits		(80,000)	–
Net cash outflow from investing activities		(183,768)	(153,404)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of new shares upon placing and initial public offering		–	895,382
Expenses for the placing and initial public offering		–	(105,456)
Subsequent payment for expenses for the placing and initial public offering		(9,066)	–
Proceeds from a short term bank loan		–	50,000
Proceeds from a long term bank loan		128,000	–
Repayment of a short term bank loan		(50,000)	(20,000)
Repayment of long term bank loan		(264,000)	(12,000)
Government grants		–	4,000
Contribution from minority interests		–	4,360
Decrease in amounts due to the Parent Company		–	(77,331)
Net cash (used in)/from financing activities		(195,066)	738,955
Net (decrease)/increase in cash and cash equivalents		(290,048)	671,004
Cash and cash equivalents at beginning of the year		703,752	32,748
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	16	<b>413,704</b>	703,752