

## Notes to the Consolidated Cash Flow Statement

For the year ended 31 December 2003  
(Prepared under PRC Accounting Rules and Regulations)

### (a) Reconciliation of net profit to cash flows from operating activities

	2003 RMB'000
Net profit	1,385,556
Depreciation	1,898,687
Provision for impairment losses in fixed assets	24,600
Provision for bad debts	(20,094)
Provision for diminution in value of inventories	41,839
Amortisation of goodwill	13,448
Loss on disposal of fixed assets	57,571
Financial expenses	399,109
Investment income	(17,573)
Deferred tax assets	(9,682)
Increase in inventories	(162,428)
Increase in operating receivables	(598,391)
Decrease in operating payables	(363,611)
Minority interests	43,610
Net cash flows from operating activities	2,692,641

### (b) Net increase in cash and cash equivalents

	2003 RMB'000
Cash at the end of the year	1,840,351
Less: Cash at the beginning of the year	1,627,551
Add: Cash equivalents at the end of the year	-
Less: Cash equivalents at the beginning of the year	32,980
Net increase in cash and cash equivalents	179,820

The notes to the financial statements form part of these financial statements.