

# Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 RMB'000	2002 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		418,551	206,031
Adjustments for:			
Finance costs	5	17,129	15,805
Share of profit of an associate		(2,018)	(1,100)
Interest income	3	(710)	(370)
Dividend income from other investment	3	—	(8)
Gain on deemed disposal of 8.325% equity interest in a subsidiary	3	(148)	—
Negative goodwill recognised as income	3	(40)	(40)
Depreciation	4	89,313	64,627
Amortisation of land use rights	4	305	147
Amortisation of long term deferred assets	4	3,500	2,641
Amortisation of intangible assets	4	3,112	2,761
Amortisation of goodwill	4	1,613	—
Provision for/(write back of) inventory obsolescence	4	(143)	59
Provision for bad and doubtful trade receivables	4	179	8
Provision for/(write back of) bad and doubtful other receivables	4	1,095	(1,512)
Write back of loss on guaranteed bank loans	4	—	(14)
Loss on disposal of 2% equity interest in a subsidiary	4	164	—
Loss on disposal of fixed assets	4	2,613	4,105
Write back of impairment of fixed assets	4	(149)	—
Operating profit before working capital changes		534,366	293,140
Increase in inventories		(25,239)	(32,381)
Increase in prepayments, deposits and other receivables		(47,471)	(2,269)
Increase in trade receivables		(893)	(1,597)
(Increase)/decrease in an amount due from an associate		41	(41)
Increase in accrued liabilities and other payables		58,159	37,103
Increase in trade payables		26,542	28,312
Movements in balances with related parties		(4,544)	5,000
Increase in provision for land restoration and environmental costs		14,414	—
Movements in balances with shareholders		—	(290)
Decrease in provisions		—	(3,241)
Increase in pledged cash		(12,475)	—
Cash generated from operations		542,900	323,736
Income tax paid		(66,525)	(70,000)
Net cash inflow from operating activities		476,375	253,736

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Year ended 31 December 2003

	Notes	2003 RMB'000	2002 RMB'000
Net cash inflow from operating activities		476,375	253,736
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		710	370
Dividends received from other investment		—	8
Dividends received from an associate		158	432
Purchases of fixed assets	12, 33(c)	(411,065)	(151,494)
Proceeds from disposal of fixed assets		381	45
Additions to land use rights	13	(3,535)	(5,303)
Additions to long term deferred assets	14	(21,500)	(16,347)
Additions to intangible assets	15, 33(c)	(37,818)	(1,405)
Acquisition of an associate		—	(5,776)
Acquisition of a subsidiary	33(a)	—	(11,654)
Disposal of 2% equity interest in a subsidiary	33(b)	5,300	—
Loans advanced to related parties		(12,405)	—
Repayment of loans advanced to related parties		8,700	—
Net cash outflow from investing activities		(471,074)	(191,124)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from new shares issued	20,31(c)	1,160,716	—
Share issue expenses	24,31(c)	(20,476)	—
New bank loans		244,900	342,460
Repayment of bank loans		(390,250)	(209,310)
Repayment of long term other payables		—	(5,040)
Interest paid		(22,677)	(15,805)
Dividend paid		(95,000)	(47,500)
Cash received from government grants		553	—
Utilisation of government grants		—	(500)
Cash received from other long term loans		1,000	—
Cash received from minority shareholders upon additional capital injection in subsidiaries		9,700	676
Cash received from minority shareholders upon establishment of subsidiaries		67,360	—
Net cash inflow from financing activities		955,826	64,981
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		153,339	25,746
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	23	1,044,466	153,339
Non-pledged time deposits with original maturity of less than three months when acquired	23	70,000	—
		1,114,466	153,339