

# Consolidated Cash Flow Statement

(Prepared under Hong Kong accounting standards)  
Year ended 31 December 2003

	Notes	2003 RMB'000	2002 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		2,864,232	403,194
Adjustments for:			
Finance costs	7	105,027	101,902
Interest income	5, 6	(15,528)	(19,150)
Investment income from listed investments	6	–	(6,836)
Depreciation	6	1,067,207	862,514
Amortisation of deferred staff costs	6	70,400	17,600
Transfer of deferred income	6	(3,606)	–
Unrealised loss/(gain) on changes in fair values of short term investments	6	(2,263)	492
Impairment/(reversal of impairment) of fixed assets	6	(63,554)	236,247
Loss on disposals of fixed assets, net	6	47,260	222,087
Loss on deemed disposal of a subsidiary	6	1,491	–
Loss on disposal of subsidiaries	6, 32(a)	9,139	–
Provision for inventories	6	6,602	72,446
Provision for doubtful debts	6	9,570	41,360
Exchange loss/(gain), net	6	52,792	(2,628)
Operating profit before working capital changes		4,148,769	1,929,228
(Increase)/decrease in inventories		(743,170)	61,551
(Increase)/decrease in trade and bill receivables		(1,516,108)	313,308
(Increase)/decrease in prepayments, deposits and other receivables		(526,978)	49,567
Purchases of short term investments		–	(100,000)
Disposal of short term investments		–	200,000
Increase in trade payables		1,099,782	245,468
Increase in other payables and accruals		1,076,131	119,471
Pension benefits and housing subsidies provisions movement, net		182,989	(73,726)
Cash generated from operations		3,721,415	2,744,867
Income tax paid		(152,728)	(55,212)
Net cash inflow from operating activities		3,568,687	2,689,655

# Consolidated Cash Flow Statement (continued)

(Prepared under Hong Kong accounting standards)  
Year ended 31 December 2003

	Note	2003 RMB'000	2002 RMB'000
Net cash inflow from operating activities		<u>3,568,687</u>	<u>2,689,655</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		15,528	19,150
Investment income from listed investments		–	6,836
Purchases of fixed assets and additions to construction in progress		(5,623,975)	(2,597,465)
Proceeds from disposal of fixed assets		15,561	18,192
Purchases of long term investments		(10,000)	(100)
Disposal of long term investments		5,419	1,600
Investments in associates		(146,976)	–
Disposal of subsidiaries	32(a)	(2,039)	–
Retrieval of overdue fixed deposits		1,597	–
Decrease in time deposits with original maturity of more than three months		354	429,601
(Increase)/decrease in pledged time deposits		(360)	4,840
(Increase)/decrease in pledged deposits		<u>26,590</u>	<u>(27,796)</u>
Net cash outflow from investing activities		<u>(5,718,301)</u>	<u>(2,145,142)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank borrowings		5,332,418	1,443,490
Repayment of bank borrowings		(1,536,332)	(1,612,675)
Government subsidies granted for specific construction projects		55,980	40,000
Capital contribution by minority shareholders		32,756	–
Interest paid		(161,811)	(133,113)
Dividend paid		(225,936)	(129,106)
Net cash inflow/(outflow) from financing activities		<u>3,497,075</u>	<u>(391,404)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,347,461</b>	<b>153,109</b>
Cash and cash equivalents at beginning of year		890,172	731,731
Effect of foreign exchange rate changes, net		<u>23,996</u>	<u>5,332</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b><u>2,261,629</u></b>	<b><u>890,172</u></b>

# Consolidated Cash Flow Statement (continued)

(Prepared under Hong Kong accounting standards)  
Year ended 31 December 2003

	Notes	2003 RMB'000	2002 RMB'000
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	32(c)	<u>2,261,629</u>	<u>890,172</u>
<b>RECONCILIATION OF BALANCES OF CASH AND CASH EQUIVALENTS TO CASH AND BANK BALANCES</b>			
Cash and balances with financial institutions, net of provision	25	2,418,294	1,074,104
Less: Non-pledged time deposits with original maturity of more than three months	25	(146,822)	(147,859)
Pledged deposits	25, 32(b)	(1,206)	(27,796)
Pledged time deposits	25, 32(b)	<u>(8,637)</u>	<u>(8,277)</u>
		<u>2,261,629</u>	<u>890,172</u>