

CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2004

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	Notes	Six-month period ended 30 June 2004 RMB'000	Six-month period ended 30 June 2003 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		101,655	53,188
Adjustments for:			
Net finance costs		767	5,352
Loss on disposal of property, plant and equipment		1	–
Depreciation and amortisation	4	18,405	17,444
Amortisation of negative goodwill		(20)	(20)
Amortisation of goodwill		207	–
Operating profit before working capital changes		121,015	75,964
(Increase)/decrease in accounts receivable		(1,805)	5,054
Increase in provision for doubtful debt		4	–
Increase in accounts payable		417	331
Increase in inventories		(634)	(417)
Decrease in prepayments, deposits and other receivables		5,805	17,166
Increase in amounts due from related parties		(45,057)	(6,453)
Increase/(decrease) in amounts due to related parties		(2,978)	10,621
Increase in accrued liabilities and other payables		3,575	2,930
Decrease in deposits received		(20)	(2,614)
Decrease in airport fee payable		(2,179)	(7,783)
Cash generated from operations		78,143	94,799
Interest paid		(3,748)	(8,922)
Income tax paid		(169)	(51)
Dividend paid		(57,522)	(85,652)
Net cash inflow from operating activities		16,704	174

CONSOLIDATED CASH FLOW STATEMENT (continued)

For the period ended 30 June 2004

	Notes	Six-month period ended 30 June 2004 RMB'000	Six-month period ended 30 June 2003 RMB'000
Net cash inflow from operating activities		16,704	174
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,314	3,521
Purchase of held-to-maturity financial assets		-	(200,000)
Proceeds from disposal of held-to-maturity financial assets		90,000	-
Purchase of available-for-sale financial assets		-	(100,000)
Proceeds from disposal of available-for-sale financial assets		-	100,134
Purchases of property, plant and equipment		(45,744)	(5,502)
Prepayment for construction in progress		(30,150)	-
Increase in time deposits		(20,000)	-
Net cash outflow from investing activities		(3,580)	(201,847)
CASH FLOWS FROM FINANCING ACTIVITIES			
Expenses for placing and initial public offering		-	(9,066)
Proceeds from a long term bank loan		-	128,000
Repayment of long term bank loan		-	(202,000)
Bill discounted		-	49,306
Net cash outflow from financing activities		-	(33,760)
Net increase/(decrease) in cash and cash equivalents		13,124	(235,433)
Cash and cash equivalents at beginning of the period		413,704	703,752
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		426,828	468,319
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		426,828	268,319
Short term bank deposits		-	200,000
		426,828	468,319