

Notes to the Consolidated Cash Flow Statement

For the year ended 31 December 2004
(Prepared under International Financial Reporting Standards)
(Expressed in Renminbi)

(a) Reconciliation of profit from ordinary activities before taxation to cash generated from operations:

	2004 RMB'000	2003 RMB'000
Profit from ordinary activities before taxation	4,696,229	1,590,365
Interest income	(42,830)	(27,419)
Income from joint ventures and other unlisted investments	(62,800)	(18,059)
Share of losses of associates	36,915	24,017
Interest expense	325,033	415,935
Depreciation	1,794,120	1,850,013
Provision for impairment losses	34,345	24,600
Amortisation of lease prepayments	21,191	22,822
Amortisation of goodwill	13,448	13,448
Amortisation of deferred income	(12,367)	(12,367)
Unrealised exchange loss	77	884
Loss on disposal of property, plant and equipment, net	9,544	57,571
Increase in inventories	(223,490)	(120,589)
Increase in debtors, bills receivable and deposits	(514,956)	(345,974)
Decrease in trade creditors, other creditors and bills payable	(376,854)	(478,758)
Decrease in balances with parent companies and fellow subsidiaries	(105,990)	(199,496)
Cash generated from operations	5,591,615	2,796,993

The notes on pages 81 to 121 form part of these financial statements.