

CONSOLIDATED CASH FLOW STATEMENT

(Prepared under Hong Kong accounting standards)

Year ended 31 December 2004

	Notes	2004 RMB'000	2003 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,595,093	1,287,180
Adjustments for:			
Finance costs	7	140,397	171,154
Share of profits and losses of jointly-controlled entities		(3,410)	1,768
Share of profits and losses of associates		(32)	1,740
Interest income	5	(30,118)	(29,703)
Government grants	5	(68,710)	(33,463)
Depreciation	6	281,157	270,666
Provision against inventory obsolescence and net realisable value	6	279,575	10,037
Provision for bad and doubtful debts	6	100,027	162,514
Amortisation and impairment of goodwill	6	17,733	2,344
Amortisation of intangible assets	6	79,846	86,152
Impairment of intangible assets	6	7,847	-
Impairment of long-term investments	6	-	674
Loss on disposal of fixed assets	6	11,654	22,657
Loss on retirement and disposal of intangible assets	6	19,605	-
Write-off of fixed assets	6	-	24,995
Gain on disposal of a subsidiary	5	-	(64)
Gain on disposal of short-term investments	5	(12,139)	-
Negative goodwill recognised as income	5	(4,770)	-
Operating profit before working capital changes		2,413,755	1,978,651
Decrease in long-term trade receivables		102,868	66,890
Increase in inventories		(657,672)	(272,997)
(Increase)/decrease in amount due from customers for contract work		900,967	(1,296,146)
Increase in trade and bills receivables		(757,033)	(1,943,073)
Increase in prepayments, deposits and other receivables		(171,933)	(267,644)
Increase/(decrease) in trade and bills payables		(168,656)	1,139,613
Increase/(decrease) in amount due to customers for contract work		(452,273)	983,091
Increase in other payables and accruals		464,587	762,331
Increase/(decrease) in other long-term payables		4,978	(2,699)
Cash generated from operations		1,679,588	1,148,017

CONSOLIDATED CASH FLOW STATEMENT (continued)

[Prepared under Hong Kong accounting standards]

Year ended 31 December 2004

	Notes	2004 RMB'000	2003 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		1,679,588	1,148,017
Interest received		30,118	29,703
Interest and other finance costs paid		(140,397)	(171,154)
Hong Kong profits tax (paid)/refunded		2,239	(2,138)
PRC taxes paid		(116,863)	(109,548)
Overseas taxes paid		(9,650)	(6,566)
Dividends received from jointly-controlled entities		700	750
Dividends paid		(203,322)	(109,367)
Dividends paid to minority shareholders		(2,457)	(97,213)
Net cash inflow from operating activities		1,239,956	682,484
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets and additions to construction in progress		(646,968)	(500,015)
Proceeds from disposal of fixed assets		5,754	1,406
Additions to intangible assets		(56,703)	(49,813)
Receipt of government grants		109,855	35,305
Purchases of long-term investments		(34,500)	-
Acquisition of interests in jointly-controlled entities		-	(1,662)
Purchase of short-term investments		(82,891)	-
Proceeds from disposal of long-term investments		-	380
Proceeds from disposal of short-term investments		95,030	-
Acquisition of associates		(8,513)	-
Acquisition of subsidiaries	36(a)	(7,602)	-
Acquisition of minority interests		(2,146)	(5,321)
Disposal of a subsidiary	36(b)	-	450
Decrease in pledged time deposits		8,107	70,867
Net cash outflow from investing activities		(620,577)	(448,403)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of H shares		3,573,037	-
Capital contributions by minority shareholders		39,112	49,885
New bank loans		1,768,029	4,071,887
Repayment of bank loans		(2,065,965)	(3,567,728)
Net cash inflow from financing activities		3,314,213	554,044

CONSOLIDATED CASH FLOW STATEMENT (continued)

(Prepared under Hong Kong accounting standards)

Year ended 31 December 2004

	Note	2004 RMB'000	2003 RMB'000
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,933,592	788,125
Cash and cash equivalents at beginning of year		3,572,867	2,784,377
Effect of foreign exchange rate changes, net		2,786	365
CASH AND CASH EQUIVALENTS AT END OF YEAR		7,509,245	3,572,867
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	4,775,748	3,556,548
Non-pledged time deposits with original maturity of less than three months when acquired		2,733,497	16,319
		7,509,245	3,572,867