

CONSOLIDATED CASH FLOW STATEMENT

Period ended 30 June 2003

	Notes	Six month period ended 30 June 2003 Audited RMB'000	Six month period ended 30 June 2002 Unaudited RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax		53,188	87,571
Adjustments for:			
Net finance costs	6	5,352	9,214
Depreciation and amortisation	4	17,444	14,817
Negative goodwill recognized as income, including amortisation of negative goodwill	3(b)	(20)	(2,531)
Operating profit before working capital changes		75,964	109,071
Decrease/(increase) in accounts receivable		5,054	(11,598)
Increase in provision for doubtful debts		—	589
Increase in accounts payable		331	93
(Increase)/decrease in inventories		(417)	122
Decrease/(increase) in prepayments, deposits and other receivables		17,166	(7,651)
Increase in amounts due from related parties		(6,453)	(57,474)
Increase in amounts due to related parties		10,621	—
Increase in accrued liabilities and other payables		2,930	2,705
Decrease in deposits received		(2,614)	(883)
Increase in Airport fee payable		(7,783)	(25,183)
Cash flow from operating activities		94,799	9,791
Interest paid		(8,922)	(5,558)
Income tax paid		(51)	(19)
Dividend paid		(85,652)	—
Net cash inflows from operating activities		174	4,214



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CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6	3,521	50
Acquisition of subsidiaries, net of cash acquired	14	—	6,534
Purchase of held-to-maturity financial assets	16	(200,000)	—
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		(5,502)	(397)
Net cash inflows/(outflow) investing activities		(201,847)	6,187
CASH FLOWS FROM FINANCING ACTIVITIES			
Expenses for the placing and initial public offering		(9,066)	—
Proceeds from a long term bank loan		128,000	—
Repayment of long term bank loan		(202,000)	(6,000)
Bill discounted		49,306	—
Increase/(decrease) in amounts due to the related companies		—	(30,750)
Net cash outflows from in financing activities		(33,760)	(36,750)
Net decrease in cash and cash equivalents		(235,433)	(26,349)
Cash and cash equivalents at beginning of the period		703,752	32,748
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		468,319	6,399

