

# Consolidated Cash Flow Statement

Year ended 31 December 2003

	2003 RMB'000	2002 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	650,128	956,641
Adjustments for:		
Depreciation	130,423	97,184
Provision for doubtful debts	1,900	3,400
Interest expenses	12,622	13,035
Interest income	(12,259)	(11,147)
Loss on disposal of fixed assets	6,385	—
Operating profit before working capital changes	789,199	1,059,113
Working capital adjustments:		
Decrease/(increase) in inventories	94,949	(62,111)
Increase in trade debtors	(29,621)	(62,850)
Decrease/(increase) in deposits, prepayments and other receivables	(129)	18,413
Increase/(decrease) in trade creditors	(1,754)	10,541
Increase/(decrease) in accruals and other creditors	(22,345)	54,297
Cash generated used in operations	830,299	1,017,403
Interest paid	(12,622)	(13,035)
Interest received	12,259	11,147
Tax paid	(93,990)	(126,321)
Net cash generated from operating activities	735,946	889,194
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(486,775)	(500,190)
Increase in deposits for acquisition of fixed assets	(88,751)	(77,710)
Increase in time deposits with original maturity of more than three months when acquired	(144,959)	(178,314)
Net cash outflow from investing activities	(720,485)	(756,214)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank loans	200,000	200,000
Repayment of bank loans	(200,000)	(200,000)
Dividends paid	(287,865)	(263,918)
Issue of shares	—	457,451
Share issue expenses	—	(19,737)
Net cash inflow/(outflow) from financing activities	(287,865)	173,796

(Continued)

	2003 RMB'000	2002 RMB'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(272,404)	306,776
Cash and cash equivalents at beginning of year	484,822	178,046
CASH AND CASH EQUIVALENTS AT END OF YEAR	212,418	484,822
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	807,858	935,303
Time deposits with original maturity of more than three months when acquired	(595,440)	(450,481)
	212,418	484,822