

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2003
(Amounts in thousands)

	Note	<u>2003</u> RMB	<u>2002</u> RMB
Cash flows from operating activities			
Cash generated from operations	(a)	1,926,959	1,220,949
Interest paid		(152,424)	(220,918)
Income tax paid		(157,939)	-
Income tax recovered		-	37,088
Net cash from operating activities		<u>1,616,596</u>	<u>1,037,119</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(356,334)	(722,492)
Interest received		2,391	2,063
Proceeds from disposal of property, plant and equipment		5,344	4,063
Net cash used in investing activities		<u>(348,599)</u>	<u>(716,366)</u>
Cash flows from financing activities			
Proceeds from bank loans		2,765,665	5,467,127
Repayments of bank loans		(3,784,850)	(5,801,385)
Repayments of loans from parent companies and fellow subsidiaries		(280,000)	-
Net cash used in financing activities		<u>(1,299,185)</u>	<u>(334,258)</u>
Net decrease in cash and cash equivalents		(31,188)	(13,505)
Cash and cash equivalents at beginning of year		<u>262,635</u>	<u>276,140</u>
Cash and cash equivalents at end of year		<u><u>231,447</u></u>	<u><u>262,635</u></u>

The notes on pages 45 to 70 form part of these financial statements.