

Notes to the Consolidated Cash Flow Statement

for the year ended 31 December 2004

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

	2004	2003
Note	RMB'000	RMB'000
Profit from ordinary activities before taxation	3,765,434	1,609,594
<i>Adjustments for:</i>		
Provision for impairment of other investments	17,442	1,676
Net loss on disposal of property, plant and equipment	28,202	22,506
Net loss on disposal of associates and other investments	154	—
Amortisation of lease prepayments	1,096	1,143
Depreciation of property, plant and equipment	1,032,879	844,305
Share of (profits) less losses from associates and jointly controlled entity	(53,077)	4,898
Dividend income from other investments	(6,141)	(6,079)
Interest expense	62,661	73,102
Interest income	(12,324)	(8,122)
Operating profit before changes in working capital	4,836,326	2,543,023
Increase in inventories	(406,983)	(371,948)
Decrease in trade receivables — third parties	37,770	111,179
Decrease in other receivables, deposits and prepayments	69,515	57,175
(Increase)/decrease in amounts due from associates and jointly controlled entity	(20,693)	1,257
(Increase)/decrease in amounts due from parent companies and fellow subsidiaries	(309,172)	66,091
Increase in lease prepayments	(11,183)	(1,450)
(Decrease)/increase in trade payables — third parties	(316,983)	492,357
(Decrease)/increase in accruals and other payables	(24,688)	142,577
Decrease in amounts due to associates	—	(5,012)
Increase in amounts due to parent companies and fellow subsidiaries	746,258	3,161
(Decrease)/increase in other taxes payable	(45,077)	12,372
Cash generated from operations	4,555,090	3,050,782