

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 RMB'000	2003 RMB'000
OPERATING ACTIVITIES		
Profit from operations	131,220	221,344
Adjustments for:		
Interest income	(40,432)	(44,841)
Dividend income from investments in securities	(2,312)	(1,144)
Depreciation and amortisation	282,041	336,196
Impairment losses recognised in respect of property, plant and equipment	20,052	78,774
Allowances for bad and doubtful debts	128,717	75,187
Loss on disposal and write off of property, plant and equipment	1,868	35,163
(Surplus) deficit on revaluation of investment properties	(647)	647
Impairment loss recognised in respect of intangible assets	53,805	–
Impairment losses recognised in respect of investment in securities	2,897	–
Operating cash flows before movements in working capital	577,209	701,326
Decrease (increase) in inventories	1,977	(132,680)
Decrease in trade and other receivables	243,078	375,742
Increase in bills receivable	(166)	(66,745)
(Increase) decrease in amounts due from associates	(18,028)	28,402
Increase (decrease) in trade and other payables	86,140	(20,826)
Increase in bills payable	105,800	19,882
(Decrease) increase in amounts due to fellow subsidiaries	(402)	402
Decrease in amount due to an associate	(21,479)	(40,931)
Net cash generated from operations	974,129	864,572
The People's Republic of China (the "PRC") income tax paid	(63,867)	(1,892)
The PRC income tax refunded	30,195	–
NET CASH GENERATED FROM OPERATING ACTIVITIES	940,457	862,680

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For the year ended 31 December 2004

	Note	2004 RMB'000	2003 RMB'000
INVESTING ACTIVITIES			
Dividends received from associates		321,677	249,830
Interest received		40,432	44,841
Proceeds from disposal of partial interest in a subsidiary		37,675	–
Proceeds from disposal of an associate		31,820	–
Proceeds from disposal of property, plant and equipment		12,616	26,993
Decrease in pledged bank deposits		11,315	378,029
Dividend received from investments in securities		2,312	1,144
Increase in amount due from an associate		2,001	(6,505)
Acquisition of a subsidiary, net of cash and cash equivalent acquired	30	1,551	(3,506)
Decrease in amounts due from fellow subsidiaries		1,317	163
Proceeds from disposal of investments in securities		–	9,862
Proceeds from disposal of a partial interest in associate		–	1,964
Acquisition of interests in associates		(408,263)	(16,958)
Purchase of property, plant and equipment		(339,614)	(197,327)
Purchase of investments in securities		(5,000)	–
Increase in amount due from ultimate holding company		(8)	(4)
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES		(290,169)	488,526
FINANCING ACTIVITIES			
Repayment of borrowings		(1,891,000)	(2,910,520)
Dividend paid to minority shareholders		(50,241)	(73,246)
Interest paid		(50,188)	(68,227)
Repayment of finance leases		(4,074)	(5,066)
New borrowings raised		1,496,943	1,693,036
Government grants raised		14,401	20,800
Government grants used		(3,009)	(2,000)
NET CASH USED IN FINANCING ACTIVITIES		(487,168)	(1,345,223)
NET INCREASE IN CASH AND CASH EQUIVALENTS		163,120	5,983
CASH AND CASH EQUIVALENTS AT 1 JANUARY		1,667,424	1,661,441
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash		1,830,544	1,667,424