

# NOTES TO THE CASH FLOW STATEMENT

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

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

	<u>2003</u>	<u>2002</u>
	<u>RMB</u>	<u>RMB</u>
Profit from ordinary activities before taxation	877,107	330,728
Adjustments for:		
Depreciation	890,779	806,124
Loss on disposal of property, plant and equipment, net	18,984	3,195
Interest income	(2,391)	(2,063)
Interest expense	142,824	195,113
Decrease/(increase) in trade and bills receivables	95,082	(103,994)
Increase in inventories	(26,209)	(247,341)
Decrease in prepayments and other current assets	105,282	182,362
Decrease in trade and bills payables	(80,385)	(32,160)
(Decrease)/increase in accruals and other payables	(94,114)	88,985
Cash generated from operations	<u>1,926,959</u>	<u>1,220,949</u>

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