

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 RMB'000	2003 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		644,306	418,551
Adjustments for:			
Finance costs	5	5,836	17,129
Share of profit of associates		(22,655)	(2,018)
Interest income	3	(11,761)	(710)
Dividend income	3	(6)	—
Gain on disposal of other financial assets	3	(2,243)	—
Gain on deemed disposal of equity interests in subsidiaries, net	3,4	(130)	(148)
Gain on disposal of 16% equity interest in a subsidiary	3	(9)	—
Negative goodwill recognised as income	3	(44)	(40)
Depreciation charges	4	101,099	89,313
Amortisation of land use rights	4	543	305
Amortisation of long term deferred assets	4	6,465	3,500
Amortisation of intangible assets	4	13,297	3,112
Amortisation of goodwill	4	1,845	1,613
Provision for/(write-back of) inventory obsolescence	4	493	(143)
Provision for bad and doubtful trade receivables	4	45	179
Provision for bad and doubtful other receivables	4	8,077	1,095
Loss on disposal of 2% equity interest in a subsidiary	4	—	164
Loss on disposal of fixed assets	4	20,473	2,613
Write-back of impairment of fixed assets	4	(94)	(149)
Operating profit before working capital changes		765,537	534,366
Increase in inventories		(68,727)	(25,239)
Increase in prepayments, deposits and other receivables		(27,256)	(47,471)
Increase in trade receivables		(5,056)	(893)
Increase in bills receivable		(700)	—
Decrease in an amount due from an associate		—	41
(Decrease)/increase in accrued liabilities and other payables		(35,482)	58,159
Increase in trade payables		24,807	26,542
Movements in balances with related parties		641	(4,544)
Increase in long term other payables		23,104	—
Increase in provision for land restoration and environmental costs		12,793	14,414
Utilisation of land restoration and environmental costs		(1,037)	—
Increase in pledged cash		(9,213)	(12,475)
Cash generated from operations		679,411	542,900
Income tax paid		(102,644)	(66,525)
Net cash inflow from operating activities		576,767	476,375

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Year ended 31 December 2004

	Notes	2004 RMB'000	2003 RMB'000
Net cash inflow from operating activities		576,767	476,375
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		11,761	710
Dividends received from an available-for-sale financial asset		6	—
Dividends received from an associate		794	158
Purchase of available-for-sale financial assets		(19,850)	—
Purchase of other financial assets		(51,766)	—
Proceeds from disposal of other financial assets		41,243	—
Purchases of fixed assets	12, 37(c)	(557,226)	(411,065)
Proceeds from disposal of fixed assets		7,404	381
Additions to land use rights	13	(810)	(3,535)
Additions to long term deferred assets	14, 37(a)	(48,360)	(21,500)
Additions to intangible assets	16, 37(a)	(244,532)	(37,818)
Acquisition of an associate		(24,500)	—
Acquisition of jointly controlled entities		(7,040)	—
Acquisition of subsidiaries	37(a)	26,860	—
Proceeds from disposal of 16% equity interest in a subsidiary	37(b)	2,261	—
Proceeds from disposal of 2% equity interest in a subsidiary	37(b)	—	5,300
Loans advanced to related parties		(4,012)	(12,405)
Repayment of loans advanced to related parties		4,805	8,700
Increase in bank deposits with original maturity over three months when acquired		(63,000)	—
Net cash outflow from investing activities		(925,962)	(471,074)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from new shares issued	23, 35(c)	247,657	1,160,716
Share issue expenses	35(c)	(61,574)	(20,476)
New bank loans		134,000	244,900
Repayment of bank loans		(86,589)	(390,250)
Cash received from other long term loans		—	1,000
Repayment of other long term loans		(14,730)	—
Interest paid		(12,673)	(22,677)
Dividend paid		(197,120)	(95,000)
Dividends paid to minority shareholders		(4,620)	—
Cash received from government grants		1,520	553
Utilisation of government grants		(380)	—
Cash received from minority shareholders upon additional capital injection in subsidiaries		5,785	9,700
Cash received from minority shareholders upon establishment of subsidiaries		49,200	67,360
Net cash inflow from financing activities		60,476	955,826
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(288,719)	961,127
Cash and cash equivalents at beginning of year		1,114,466	153,339
CASH AND CASH EQUIVALENTS AT END OF YEAR		825,747	1,114,466
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	825,747	1,044,466
Non-pledged time deposits with original maturity of less than three months when acquired	27	—	70,000
		825,747	1,114,466