Consolidated

Cash Flow Statement

For the year ended 31st December, 2006

| Profit before taxation889,109410,602Adjustments for:(32,094)(941)Share of profit of an associate(32,094)(941)Finance costs63,16042,978Interest income(10,780)(10,246)Depreciation of property, plant and equipment193,662109,597Release of prepaid lease payments1,2781,278Amortisation of intangible assets62,22362,223(Gain) loss on disposal of property, plant and equipment(879)489(Reversal of) impairment loss on trade receivables(29,387)15,272Operating cash flows before movements in working capital1,136,292631,252Increase in inventories(216,429)(216,429) | | | | |
|---|--|------|-------------|-------------|
| OPERATING ACTIVITIES Profit before taxation889,109410,602Adjustments for: Share of profit of an associate(32,094)(941)Finance costs63,16042,978Interest income(10,780)(10,246)Depreciation of property, plant and equipment193,662109,597Release of prepaid lease payments1,2781,278Amortisation of intangible assets62,22362,223(Gain) loss on disposal of property, plant and equipment(879)489(Reversal of) impairment loss on trade receivables(29,387)15,272Operating cash flows before movements in working capital1,136,292631,252Increase in inventories(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase (decrease) in tade and bills payables176,76392,017Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid(158,711)(107,608)Tax refunded—8,151 | | | 2006 | 2005 |
| Profit before taxation 889,109 410,602 Adjustments for: (32,094) (941) Finance costs 63,160 42,978 Interest income (10,780) (10,246) Depreciation of property, plant and equipment 193,662 109,597 Release of prepaid lease payments 1,278 1,278 Amortisation of intangible assets 62,223 62,223 (Gain) loss on disposal of property, plant and equipment (879) 489 (Reversal of) impairment loss on trade receivables (29,387) 15,272 Operating cash flows before movements in working capital 1,136,292 631,252 Increase in inventories (205,840) (515,409) Decrease (increase) in deposits, prepayments and other receivables 30,206 (25,828) Increase (decrease) in trade and bills payables 654,064 (144,040) Increase in other payables and accruals 176,763 92,017 Increase in warranty provision 28,606 5,563 Cash generated from (used in) operations 1,568,677 (172,874) Tax paid (158,711) (107,608) Tax refunded — 8, | | Note | RMB'000 | RMB'000 |
| Profit before taxation 889,109 410,602 Adjustments for: (32,094) (941) Finance costs 63,160 42,978 Interest income (10,780) (10,246) Depreciation of property, plant and equipment 193,662 109,597 Release of prepaid lease payments 1,278 1,278 Amortisation of intangible assets 62,223 62,223 (Gain) loss on disposal of property, plant and equipment (879) 489 (Reversal of) impairment loss on trade receivables (29,387) 15,272 Operating cash flows before movements in working capital 1,136,292 631,252 Increase in inventories (205,840) (515,409) Decrease (increase) in deposits, prepayments and other receivables 30,206 (25,828) Increase (decrease) in trade and bills payables 654,064 (144,040) Increase in other payables and accruals 176,763 92,017 Increase in warranty provision 28,606 5,563 Cash generated from (used in) operations 1,568,677 (172,874) Tax paid (158,711) (107,608) Tax refunded — 8, | | | | |
| Adjustments for:(32,094)(941)Share of profit of an associate(32,094)(941)Finance costs63,16042,978Interest income(10,780)(10,246)Depreciation of property, plant and equipment193,662109,597Release of prepaid lease payments1,2781,278Amortisation of intangible assets62,22362,223(Gain) loss on disposal of property, plant and equipment(879)489(Reversal of) impairment loss on trade receivables(29,387)15,272Operating cash flows before movements in working capital1,136,292631,252Increase in inventories(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,5635,563Cash generated from (used in) operations1,568,677(172,874)Tax paid(158,711)(107,608)4,511 | OPERATING ACTIVITIES | | | |
| Share of profit of an associate (32,094) (941) Finance costs 63,160 42,978 Interest income (10,780) (10,246) Depreciation of property, plant and equipment 193,662 109,597 Release of prepaid lease payments 1,278 1,278 Amortisation of intangible assets 62,223 62,223 (Gain) loss on disposal of property, plant and equipment (879) 489 (Reversal of) impairment loss on trade receivables (29,387) 15,272 Operating cash flows before movements in working capital 1,136,292 631,252 Increase in inventories (251,414) (216,429) Increase in trade and bills receivables (205,840) (515,409) Decrease (increase) in deposits, prepayments and other receivables 30,206 (25,828) Increase (decrease) in trade and bills payables 654,064 (144,040) Increase in other payables and accruals 176,763 92,017 Increase in warranty provision 28,606 5,563 Cash generated from (used in) operations 1,568,677 (172,874) Tax paid | Profit before taxation | | 889,109 | 410,602 |
| Finance costs 63,160 42,978 Interest income (10,780) (10,246) Depreciation of property, plant and equipment 193,662 109,597 Release of prepaid lease payments 1,278 1,278 Amortisation of intangible assets 62,223 62,223 (Gain) loss on disposal of property, plant and equipment (879) 489 (Reversal of) impairment loss on trade receivables (29,387) 15,272 Operating cash flows before movements in working capital 1,136,292 631,252 Increase in inventories (251,414) (216,429) Increase (increase) in deposits, prepayments and other receivables 30,206 (25,828) Increase (decrease) in trade and bills payables 654,064 (144,040) Increase in other payables and accruals 176,763 92,017 Increase in warranty provision 28,606 5,563 Cash generated from (used in) operations 1,568,677 (172,874) Tax paid (158,711) (107,608) Tax refunded — 8,151 | Adjustments for: | | | |
| Interest income(10,780)(10,246)Depreciation of property, plant and equipment193,662109,597Release of prepaid lease payments1,2781,278Amortisation of intangible assets62,22362,223(Gain) loss on disposal of property, plant and equipment(879)489(Reversal of) impairment loss on trade receivables(29,387)15,272Operating cash flows before movements in working capital1,136,292631,252Increase in inventories(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid(158,711)(107,608)Tax refunded—8,151 | Share of profit of an associate | | (32,094) | (941) |
| Depreciation of property, plant and equipment193,662109,597Release of prepaid lease payments1,2781,278Amortisation of intangible assets62,22362,223(Gain) loss on disposal of property, plant and equipment(879)489(Reversal of) impairment loss on trade receivables(29,387)15,272Operating cash flows before movements in working capital1,136,292631,252Increase in inventories(251,414)(216,429)Increase in trade and bills receivables(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid(158,711)(107,608)Tax refunded–8,151 | Finance costs | | 63,160 | 42,978 |
| Release of prepaid lease payments1,2781,278Amortisation of intangible assets62,22362,223(Gain) loss on disposal of property, plant and equipment(879)489(Reversal of) impairment loss on trade receivables(29,387)15,272Operating cash flows before movements in working capital1,136,292631,252Increase in inventories(251,414)(216,429)Increase in trade and bills receivables(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid—8,151 | Interest income | | (10,780) | (10,246) |
| Amortisation of intangible assets (Gain) loss on disposal of property, plant and equipment (Reversal of) impairment loss on trade receivables62,223 (879)489 (29,387)Operating cash flows before movements in working capital Increase in inventories1,136,292 (251,414)631,252 (216,429)Increase in trade and bills receivables(205,840) (515,409)(515,409) (205,840)Decrease (increase) in deposits, prepayments and other receivables Increase (decrease) in trade and bills payables Increase in other payables and accruals Increase in warranty provision176,763 (25,828)Cash generated from (used in) operations Tax paid Tax refunded1,568,677 (172,874) (158,711) (107,608) (107,608) | Depreciation of property, plant and equipment | | 193,662 | 109,597 |
| (Gain) loss on disposal of property, plant and equipment (Reversal of) impairment loss on trade receivables(879)489 (29,387)Operating cash flows before movements in working capital Increase in inventories1,136,292631,252Increase in inventories(251,414)(216,429)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase (decrease) in trade and bills payables654,064(144,040)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid-8,151 | Release of prepaid lease payments | | 1,278 | 1,278 |
| (Reversal of) impairment loss on trade receivables(29,387)15,272Operating cash flows before movements in working capital1,136,292631,252Increase in inventories(251,414)(216,429)Increase in trade and bills receivables(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase (decrease) in trade and bills payables654,064(144,040)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid-8,151 | Amortisation of intangible assets | | 62,223 | 62,223 |
| Operating cash flows before movements in working capital1,136,292631,252Increase in inventories(251,414)(216,429)Increase in trade and bills receivables(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase (decrease) in trade and bills payables654,064(144,040)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid(158,711)(107,608)Tax refunded–8,151 | (Gain) loss on disposal of property, plant and equipment | | (879) | 489 |
| Increase in inventories(251,414)(216,429)Increase in trade and bills receivables(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase (decrease) in trade and bills payables654,064(144,040)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid(158,711)(107,608)Tax refunded-8,151 | (Reversal of) impairment loss on trade receivables | | (29,387) | 15,272 |
| Increase in inventories(251,414)(216,429)Increase in trade and bills receivables(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase (decrease) in trade and bills payables654,064(144,040)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid(158,711)(107,608)Tax refunded-8,151 | | | | |
| Increase in inventories(251,414)(216,429)Increase in trade and bills receivables(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase (decrease) in trade and bills payables654,064(144,040)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid(158,711)(107,608)Tax refunded-8,151 | Operating cash flows before movements in working capital | | 1.136.292 | 631,252 |
| Increase in trade and bills receivables(205,840)(515,409)Decrease (increase) in deposits, prepayments and other receivables30,206(25,828)Increase (decrease) in trade and bills payables654,064(144,040)Increase in other payables and accruals176,76392,017Increase in warranty provision28,6065,563Cash generated from (used in) operations1,568,677(172,874)Tax paid(158,711)(107,608)Tax refunded-8,151 | | | | |
| Decrease (increase) in deposits, prepayments and other receivables Increase (decrease) in trade and bills payables Increase in other payables and accruals Increase in warranty provision Cash generated from (used in) operations Tax paid Tax refunded 1,568,677 (172,874) (107,608) - 8,151 | Increase in trade and bills receivables | | | |
| Increase (decrease) in trade and bills payables Increase in other payables and accruals Increase in warranty provision Cash generated from (used in) operations Tax paid Tax refunded Hore as in trade and bills payables (144,040) 176,763 28,606 5,563 Hore as in warranty provision Cash generated from (used in) operations Tax refunded Hore as in trade and bills payables (144,040) 176,763 28,606 (144,040) 176,763 28,606 (172,874) (107,608) - 8,151 | Decrease (increase) in deposits, prepayments and other receivables | | | |
| Increase in other payables and accruals 176,763 92,017 Increase in warranty provision 28,606 5,563 Cash generated from (used in) operations 1,568,677 (172,874) Tax paid (158,711) (107,608) Tax refunded – 8,151 | | | | |
| Increase in warranty provision 28,606 5,563 Cash generated from (used in) operations 1,568,677 (172,874) Tax paid (158,711) (107,608) Tax refunded - 8,151 | | | | |
| Cash generated from (used in) operations 1,568,677 (172,874) Tax paid (158,711) (107,608) Tax refunded - 8,151 | | | | |
| Tax paid (158,711) (107,608) Tax refunded — 8,151 | | | | |
| Tax paid (158,711) (107,608) Tax refunded — 8,151 | Cash generated from (used in) operations | | 1 568 677 | (172 874) |
| Tax refunded — 8,151 | | | | |
| | | | (100,711) | |
| | | | 10,780 | |
| | | | 10,700 | 10,210 |
| | | | 1 400 740 | |
| NET CASH FROM (USED IN) OPERATING ACTIVITIES 1,420,746 (262,085) | NET CASH FROM (USED IN) OPERATING ACTIVITIES | | 1,420,746 | (262,085) |
| | | | | |
| INVESTING ACTIVITIES | | | | |
| Purchases of property, plant and equipment and deposits paid for | | | | |
| acquisition of property, plant and equipment (624,023) (593,048) | | | | (593,048) |
| | Acquisition of a subsidiary | 30 | , | — |
| | Increase in pledged bank deposits | | | |
| | Proceeds from disposal of property, plant and equipment | | 1,299 | |
| Investment in an associate (560,250) | Investment in an associate | | | (560,250) |
| | | | | |
| NET CASH USED IN INVESTING ACTIVITIES (1,395,449) (1,190,273) | NET CASH USED IN INVESTING ACTIVITIES | | (1,395,449) | (1,190,273) |

Consolidated

Cash Flow Statement

For the year ended 31st December, 2006

| | Note | 2006 RMB'000 | 2005 RMB'000 |
|---|------|--|--|
| FINANCING ACTIVITIES Repayments of bank borrowings and discounted bills with recourse Dividends paid Repayments to a related party Interest paid New bank and other borrowings raised Discounted bills with recourse raised | | (395,200) (120,450) (68,445) (53,841) 498,029 — | (1,225,500) (103,950) (87,414) (30,843) 634,241 1,140,700 60,900 |
| Capital contributions from minority shareholders NET CASH (USED IN) FROM FINANCING ACTIVITIES | | (139,907) | 388,134 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS CASH AND CASH EQUIVALENTS AT 1ST JANUARY | | (114,610) 709,996 | (1,064,224) |
| CASH AND CASH EQUIVALENTS AT 31ST DECEMBER, REPRESENTED BY BANK BALANCES AND CASH | | 595,386 | 709,996 |