

	2003 RMB'000	2002 RMB'000
Operating activities		
Profit before taxation	208,993	87,235
Adjustments for:		
Share of results of associates	29,614	4,134
Interest income	(22,122)	(14,680)
Interest expense	122,187	90,007
Depreciation of property, plant and equipment	373,841	442,263
Amortisation of goodwill	17,306	15,333
Amortisation of intangible assets	14,093	–
Impairment loss recognised in respect of goodwill	7,838	–
Loss on disposal of property, plant and equipment	2,629	748
Loss on winding up of an associate	216	–
Release of negative goodwill to income	(4,790)	(2,395)
Reversal of allowance for inventories	(32,807)	(198,219)
Allowance (reversal of allowance) for irrecoverable debts	5,481	(33,147)
Operating cash flows before movements in working capital	722,479	391,279
(Increase) decrease in inventories	(789,485)	475,432
Increase in trade and other receivables	(319,511)	(757,486)
(Increase) decrease in amounts due from associates	(1,683)	19,259
Decrease in value-added tax recoverable	–	179,089
Increase in trade and other payables	1,407,155	309,018
Increase (decrease) in trade deposits from customers	118,810	(96,828)
Decrease in warranty provision	(15,474)	(52,326)
Decrease in pension liabilities	(13,540)	(41,411)
Increase in other long-term payables	497	741
Cash generated from operations	1,109,248	426,767
Interest received	22,122	14,680
Interest paid	(122,187)	(90,007)
Tax paid	(15,789)	–
Net cash from operating activities	993,394	351,440

Consolidated Cash Flow Statement

For the year ended 31 December 2003 (Prepared in accordance with IFRS)

Consolidated Cash Flow Statement

For the year ended 31 December 2003 (Prepared in accordance with IFRS)

	2003 RMB'000	2002 RMB'000
Investing activities		
Purchase of property, plant and equipment	(289,412)	(216,916)
Purchase of intangible assets	(46,128)	–
Proceeds on disposal of property, plant and equipment	10,522	18,829
Increase in pledged bank deposits	(662,687)	(603,452)
Proceeds on disposal of other assets	4,333	769
Acquisition of subsidiaries	–	56,909
(Advance to) repayment from related companies	(12,076)	6,537
Capital contributed by minority shareholders	9,000	–
Repayment from Guangdong Kelon (Rongsheng) Group Company Limited	–	4,643
Repayment from Greencool Enterprise Development Company Limited	–	198,000
Net cash used in investing activities	(986,448)	(534,681)
Financing activities		
Bank borrowings raised	1,418,900	1,489,735
Repayment of bank borrowings	(1,385,690)	(1,272,530)
Net cash from financing activities	33,210	217,205
Net increase in cash and cash equivalents	40,156	33,964
Cash and cash equivalents at beginning of the year	686,638	651,196
Effect of foreign exchange rate changes	111	1,478
Cash and cash equivalents at end of the year	726,905	686,638