

FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

	Notes	Year ended 31 December	
		2003 RMB'000	2004 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		853,442	1,246,884
Adjustments for:			
Loss on disposal of fixed assets		—	1,787
Finance costs	10	157,797	290,383
Exchange losses, net		7,429	9,150
Negative goodwill recognised as income	17	(2,990)	(2,990)
Interest income	5	(12,048)	(24,154)
Depreciation	15	287,495	499,273
Amortisation of intangible assets	16	1,200	1,200
Provision for bad and doubtful debts	6	7,031	2,000
Provision against inventories	6	11,832	18,800
Operating profit before working capital changes		1,311,188	2,042,333
Increase in inventories		(1,346,079)	(608,283)
Increase in trade receivables		(248,530)	(104,206)
Increase in prepayments, deposits and other receivables		(201,461)	(163,018)
Increase in trade payables		449,956	53,441
Increase/(decrease) in bills payable		(347,943)	140,403
Increase/(decrease) in other payables and accruals		(44,341)	600,231
Increase/(decrease) in a net amount due to the immediate holding company		69,945	(83,689)
Decrease/(increase) in net amounts due from related parties		(136,081)	1,580
Cash generated from/(used in) operations		(493,346)	1,878,792
Decrease in other long term assets		96,250	—
Interest paid	10	(162,597)	(316,383)
PRC corporate income tax paid		(171,160)	(153,425)
Net cash inflow/(outflow) from operating activities		(730,853)	1,408,984

	Notes	Year ended 31 December	
		2003 RMB'000	2004 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5	12,048	24,154
Purchases of fixed assets		(2,787,680)	(3,614,013)
Proceeds from disposal of fixed assets		996	4,136
Increase in time deposits over three months		—	(325,400)
Decrease in pledged deposits		246,833	25,644
Net cash outflow from investing activities		(2,527,803)	(3,885,479)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		4,678,563	8,949,374
Proceeds from issue of shares	29	2,604,799	706,534
Share issue expenses	29	(93,627)	(14,552)
Repayment of bank loans		(2,559,492)	(6,457,152)
Dividends paid		—	(16,118)
Dividends paid to a minority shareholder		—	(2,434)
Proceeds from capital contributions by minority shareholders		400	32,448
Net cash inflow from financing activities		4,630,643	3,198,100
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		1,371,987	721,605
Effect of foreign exchange rate changes, net		167,635	1,532,193
		(7,429)	(9,150)
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	1,532,193	2,244,648
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	1,278,193	1,748,717
Non-pledged time deposits with original maturity of less than three months when acquired		254,000	495,931
	23	1,532,193	2,244,648