

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2004

	2004 RMB'000	2003 RMB'000
Cash flows from operating activities		
Profit before tax	410,564	293,788
Adjustments for:		
Finance costs, net	29,086	12,900
Depreciation of property, plant and equipment	169,476	70,211
Amortisation of land use right	906	406
Losses/(gains) on disposal of property, plant and equipment	60	(44)
Government grants received	(7,865)	(4,561)
Provision for doubtful debts	4,113	1,081
Share of profit of associates	(32)	(738)
Provision for obsolete inventories	6,212	522
Amortisation of deferred income	(3,860)	—
Foreign exchange losses	(1,969)	—
Goodwill amortisation	—	(1,993)
Operating profit before working capital changes	606,691	371,572
Increase in inventories	(312,221)	(227,105)
Increase in trade receivables	(94,969)	(54,502)
Increase in prepayments, deposits and other receivables	(23,638)	(38,508)
Increase in trade payables	267,064	249,171
Increase in accruals and other payables	211,769	141,086
Increase in pledged deposit	(18,338)	(2,425)
Net cash generated from operations	636,358	439,289
Interest paid	(39,432)	(15,145)
Income taxes paid	(24,609)	(72,290)
Net cash generated from operating activities	572,317	351,854

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For the year ended 31 December 2004

	2004 RMB'000	2003 RMB'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	254	103
Purchases of property, plant and equipment	(1,017,769)	(133,363)
Increase in construction in progress	(145,997)	(539,260)
Additions to land use rights	(675)	(68,826)
Additions to long term investments	—	(1,850)
Capital injection to associates	(18,905)	(1,512)
Receipt of government grants	17,865	4,561
Interest received	10,346	2,245
Dividend received from an associate	265	—
Net cash outflow from investing activities	(1,154,616)	(737,902)
Cash flows from financing activities		
Proceeds from issuance of new shares	1,043,854	—
Proceeds from issuance of preferred shares	—	291,093
Contribution from minority shareholders	1,826	3,416
Proceeds from interest-bearing bank loans	1,347,810	593,113
Repayment of interest-bearing bank loans	(1,025,302)	(271,579)
Dividends paid	(61,860)	(10,937)
Dividends paid to minority interest shareholders	(11,938)	—
Repayment of other loan	(5,000)	—
Share issue expenses	(62,336)	—
Net cash generated from financing activities	1,227,054	605,106
Net increase in cash and cash equivalents	644,755	219,058
Cash and cash equivalents at beginning of year	374,173	155,115
Cash and cash equivalents at end of year	1,018,928	374,173
Analysis of balance of cash and cash equivalents		
Cash and bank balances	1,018,928	374,173
	1,018,928	374,173