

Consolidated Cash Flow Statement

For the year ended 31 December 2004 (Prepared in accordance with IFRS)

	2004 RMB'000	2003 RMB'000
Operating activities		
(Loss) profit before taxation	(46,806)	210,949
Adjustments for:		
Share of results of associates	(2,908)	27,658
Interest income	(38,832)	(22,122)
Interest expense	155,053	122,187
Depreciation of property, plant and equipment	362,193	373,841
Amortisation of goodwill	18,275	17,306
Amortisation of intangible assets	55,951	14,093
Impairment loss recognised in respect of goodwill	71,400	7,838
Loss on disposal of property, plant and equipment	2,950	2,629
Gain on disposal of associates	(656)	–
Loss on winding up of an associate	–	216
Release of negative goodwill to income	(4,790)	(4,790)
Discount on acquisition of a subsidiary released to income	(12,429)	–
Allowance (reversal of allowance) for inventories	41,412	(32,807)
Allowance for irrecoverable debts	41,977	5,481
Operating cash flows before movements in working capital	642,790	722,479
Increase in inventories	(1,064,056)	(789,485)
Increase in trade and other receivables	(582,182)	(331,452)
Decrease (increase) in amounts due from associates	4,384	(1,683)
Increase in trade and other payables	1,529,439	159,317
Increase in trade deposits from customers	131,661	378,700
Increase (decrease) in warranty provision	29,781	(15,474)
Decrease in pension liabilities	(1,047)	(13,540)
Increase in other long-term payables	8,231	497
Cash generated from operations	699,001	109,359
Interest received	38,832	22,122
Interest paid	(154,627)	(122,187)
Tax paid	(4,214)	(15,789)
Net cash generated from (used in) operating activities	578,992	(6,495)
Investing activities		
Purchase of property, plant and equipment	(423,319)	(289,412)
Purchase of intangible assets	(47,833)	(46,128)
Proceeds on disposal of property, plant and equipment	10,662	10,522
(Decrease) increase in pledged bank deposits	90,547	(662,687)
Proceeds on disposal of other assets	–	4,333
Proceeds on disposal of associates	8,286	–
Acquisition of subsidiaries (see note 30)	(55,533)	–
Repayment from (advance to) related companies	19,000	(12,076)
Capital contributed by minority shareholders	44,300	9,000
Net cash used in investing activities	(353,890)	(986,448)

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Financing activities		
Bank borrowings raised	7,198,543	3,914,299
Repayment of bank borrowings	(7,132,881)	(2,881,200)
Net cash generated from financing activities	65,662	1,033,099
Net increase in cash and cash equivalents	290,764	40,156
Cash and cash equivalents at beginning of the year	726,905	686,638
Effect of foreign exchange rate changes	(135)	111
Cash and cash equivalents at end of the year representing bank balances and cash	1,017,534	726,905