

Consolidated Cash Flow Statement

(Year ended 31 December 2005)



	Notes	2005 RMB'000	2004 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		561,568	552,969
Adjustments for:			
Finance costs	7	–	46
Interest income	5	(28,114)	(10,295)
Share of profits and losses of jointly-controlled entities	19	(5,807)	–
Loss on disposal of items of property, plant and equipment	6	1,265	624
Depreciation	6	110,134	68,970
Recognition of prepaid land premium	6	1,944	392
Amortisation of goodwill and impairment	6	–	270
Recognition of deferred income	5	(974)	–
Impairment provision of property, plant and equipment	6	6,170	–
Unrealised (gain)/loss on revaluation of short term listed investments	6	113	338
Negative goodwill recognised as income	6	–	(1,935)
Operating profit before working capital changes		646,299	611,379
(Increase)/decrease in inventories		(286,065)	111,318
(Increase)/decrease in trade receivables		(5,731)	(6,635)
(Increase)/decrease in bills receivable		66,047	34,586
(Increase)/decrease in other receivables		(73,752)	(12,356)
Increase/(decrease) in trade payables		327,546	(110,435)
Increase/(decrease) in bills payable		(39,217)	28,117
Increase/(decrease) in other payables		229,383	(67,695)
Increase/(decrease) in provision for product warranties		(1,515)	5,322
Cash generated from operations		862,995	593,601
Interest paid		–	(46)
Income taxes paid		(98,711)	(190,376)
Net cash inflow from operating activities		764,284	403,179

Consolidated Cash Flow Statement (Year ended 31 December 2005)

	Notes	2005 RMB'000	2004 RMB'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		28,114	10,295
Purchases of items of property, plant and equipment		(30,907)	(31,353)
Prepayment of land premium		(36,825)	(50,905)
Proceeds from disposal of items of property, plant and equipment		2,543	1,591
Payment of construction cost		(338,252)	(561,946)
Acquisition of subsidiaries	33(a)	250	–
Investments in jointly-controlled entities		–	(23,700)
Paid out to minority shareholder from deregistration of subsidiary	33(b)	(250)	–
Proceeds from government grants for the Company's construction		58,433	–
Proceeds from disposal of short term listed investments		–	8
Net cash outflow from investing activities		(316,894)	(656,010)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of new shares upon placing and initial public offering		–	20,769
Repayment of bank loans		–	(1,000)
Contribution from minority shareholders		–	12,984
Dividends paid to minority shareholders		(53,732)	(79,659)
Dividends paid		(33,859)	(18,755)
Net cash outflow from financing activities		(87,591)	(65,661)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		359,799	(318,492)
Cash and cash equivalents at beginning of year		2,196,877	2,515,369
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,556,676	2,196,877

Major non-cash transactions

- (i) In the year 2005, the Company capitalized RMB472,100,000 in the share premium account of the Company into share capital by issuing new shares at no consideration. For details, please refer to note 31.