

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		1,435,784	1,246,884
Adjustments for:			
Finance costs	10	420,167	290,383
Bank interest income	5	(32,159)	(24,154)
Recognition of deferred income	5	(596)	–
Losses/(gains) on disposal of items of property, plant and equipment	6	(94)	1,787
Fair value gains, net:			
Derivative financial instruments transactions not qualifying as hedges	5	(2,139)	–
Depreciation	6, 15	737,008	498,007
Foreign exchange differences, net	5, 6	(68,206)	9,150
Amortisation of intangible assets	6	1,200	1,200
Negative goodwill recognised as income	6	–	(2,990)
Amortisation of prepaid land lease payments	6	2,446	1,266
Provision for bad and doubtful debts	6	–	2,000
Provision against inventories	6	37,719	18,800
Operating profit before working capital changes		2,531,130	2,042,333
Increase in inventories		(1,009,479)	(608,283)
Decrease/(increase) in trade receivables		36,147	(104,206)
Increase in prepayments, deposits and other receivables		(67,466)	(163,018)
(Increase)/decrease in net amounts due from related parties		(216,500)	1,580
Increase in trade payables		801,299	53,441
Increase in bills payable		369,300	140,403
Increase in other payables and accruals		51,074	543,858
Increase/(decrease) in amount due to the immediate holding company		62,430	(83,689)
Cash generated from operations		2,557,935	1,822,419
Interest paid		(424,867)	(316,383)
PRC corporate income tax paid		(178,608)	(153,425)
Net cash inflow from operating activities		1,954,460	1,352,611

Consolidated Cash Flow Statement

Year ended 31 December 2005

	<i>Notes</i>	2005 RMB'000	2004 RMB'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5	32,159	24,154
Purchases of items of property, plant and equipment		(2,596,619)	(3,614,013)
Proceeds from disposal of items of property, plant and equipment		1,243	4,136
Receipt of government grants		14,400	56,373
Increase in time deposits maturing over three months		(828,640)	(325,400)
(Increase)/decrease in pledged deposits		(215,302)	25,644
Net cash outflow from investing activities		(3,592,759)	(3,829,106)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		8,532,960	8,949,374
Proceeds from issue of H shares	33	–	706,534
Share issue expenses	33	–	(14,552)
Repayment of bank loans		(5,747,464)	(6,457,152)
Dividends paid		(211,726)	(16,118)
Dividends paid to minority shareholders		(1,889)	(2,434)
Proceeds from capital contributions by minority shareholders		–	32,448
Net cash inflow from financing activities		2,571,881	3,198,100
NET INCREASE IN CASH AND CASH EQUIVALENTS		933,582	721,605
Cash and cash equivalents at beginning of year		2,244,648	1,532,193
Effect of foreign exchange rate changes, net		7,705	(9,150)
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	3,185,935	2,244,648
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	3,134,935	1,748,717
Non-pledged time deposits with original maturity of less than three months when acquired		51,000	495,931
	24	3,185,935	2,244,648