

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2005

	2005 RMB'000	2004 RMB'000
<b>Cash flows from operating activities</b>		
Profit before tax	617,135	410,553
Adjustments for:		
Interest income	(12,898)	(10,346)
Finance costs	43,956	39,432
Depreciation of property, plant and equipment	276,964	169,476
Amortisation of land use rights	1,309	906
Loss on disposal of property, plant and equipment	3,243	60
Government grants	–	(7,865)
(Write-back of provision for)/provision for doubtful debts	(194)	4,113
Share of losses/(profits) of associates	3,295	(21)
Write-down of inventories to net realisable value	2,349	6,212
Amortisation of deferred income	(4,145)	(3,860)
Foreign exchange differences, net	(2,069)	(1,969)
Operating profit before working capital changes	928,945	606,691
Increase in inventories	(68,551)	(312,221)
Decrease/(increase) in trade and bills receivables	3,307	(94,969)
Increase in pledged deposits	(32,910)	(18,338)
Increase in prepayments, deposits and other receivables	(31,561)	(23,638)
Increase in trade and bills payables	422,408	267,064
Increase in accruals and other payables	199,776	211,769
Net cash generated from operations	1,421,414	636,358
Interest paid	(38,541)	(39,432)
Income taxes paid	(54,576)	(24,609)
<b>Net cash generated from operating activities</b>	<b>1,328,297</b>	<b>572,317</b>

	2005 RMB'000	2004 RMB'000
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	521	254
Purchases of property, plant and equipment	<b>(216,165)</b>	(1,017,769)
Increase in construction in progress	<b>(790,735)</b>	(145,997)
Additions to land use rights	<b>(35,118)</b>	(675)
Additions to available-for-sale investments	<b>(2,000)</b>	–
Capital injection to associates	<b>(1,835)</b>	(18,905)
Receipt of government grants	–	17,865
Interest received	<b>12,898</b>	10,346
Dividend received from an associate	<b>368</b>	265
<b>Net cash outflow from investing activities</b>	<b>(1,032,066)</b>	(1,154,616)
<b>Cash flows from financing activities</b>		
Contributions from minority shareholders	<b>4,733</b>	1,826
Proceeds from interest-bearing bank loans	<b>923,361</b>	1,347,810
Repayment of interest-bearing bank loans	<b>(894,312)</b>	(1,025,302)
Dividends paid to equity holders of the Company	<b>(80,053)</b>	(61,860)
Dividends paid to minority shareholders	<b>(15,605)</b>	(11,938)
Proceeds from other loans	<b>11,481</b>	–
Repayment of other loans	<b>(17,000)</b>	(5,000)
Proceeds from issuance of new shares	–	1,043,854
Share issue costs	–	(62,336)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(67,395)</b>	1,227,054
Net increase in cash and cash equivalents	<b>228,836</b>	644,755
<b>Cash and cash equivalents at beginning of year</b>	<b>1,018,928</b>	374,173
<b>Cash and cash equivalents at end of year</b>	<b>1,247,764</b>	1,018,928
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and cash equivalents	<b>1,247,764</b>	1,018,928
<b>Non-cash transactions</b>		
Purchases of property, plant and equipment by means of long term payables	<b>197,903</b>	163,084