

AUDITED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	Notes	2006 RMB'000	2005 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,307,571	1,435,784
Adjustments for:			
Finance costs	10	720,003	420,167
Bank interest income	5	(51,177)	(32,159)
Recognition of deferred income	5	(4,148)	(596)
Losses/(gains) on disposal of items of property, plant and equipment	6	1,967	(94)
Fair value losses/(gains), net:			
Derivative financial instruments - transactions not qualifying as hedges	6	6,357	(2,139)
Depreciation	6	995,255	737,008
Foreign exchange differences, net	6	(109,394)	(68,206)
Amortisation of intangible assets	6	1,200	1,200
Recognition of prepaid land lease payments	6	2,796	2,446
Provision against inventories	6	99,859	37,719
		3,970,289	2,531,130
Increase in inventories		(32,195)	(1,009,479)
(Increase)/decrease in trade receivables		(131,566)	36,147
Decrease/(increase) in prepayments, deposits and other receivables		439,969	(67,466)
Decrease/(increase) in net amounts due from related parties		485,948	(216,500)
(Decrease)/increase in trade payables		(1,324,537)	801,299
Increase in bills payable		70,700	369,300
Increase in other payables and accruals		531,664	51,074
(Decrease)/increase in amount due to the immediate holding company		(138,496)	62,430
Cash generated from operations		3,871,776	2,557,935
Interest paid		(616,511)	(424,867)
PRC corporate income tax paid		(282,589)	(178,608)
Net cash inflow from operating activities		2,972,676	1,954,460

	<i>Notes</i>	2006 <i>RMB'000</i>	2005 <i>RMB'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5	51,177	32,159
Purchases of items of property, plant and equipment		(2,985,525)	(2,596,619)
Proceeds from disposal of items of property, plant and equipment		291	1,243
Purchase of land use right		(1,566)	—
Receipt of government grants		22,072	14,400
Increase in non-pledge time deposits maturing over three months		(127,874)	(828,640)
Decrease/(increase) in pledged deposits		405,612	(215,302)
Net cash outflow from investing activities		(2,635,813)	(3,592,759)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of H shares	32	860,110	—
Share issue expenses	32	(1,994)	—
New bank loans		7,705,539	8,532,960
Repayment of bank loans		(7,550,380)	(5,747,464)
Dividends paid		(313,599)	(211,726)
Dividends paid to minority shareholders		(5,699)	(1,889)
Net cash inflow from financing activities		693,977	2,571,881
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		3,185,935	2,244,648
Effect of foreign exchange rate changes, net		(7,061)	7,705
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	4,209,714	3,185,935
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	3,953,465	3,134,935
Non-pledged time deposits with original maturity of less than three months when acquired		256,249	51,000
	23	4,209,714	3,185,935