

Consolidated Cash Flow Statement

Year ended 31st December 2006

(All amounts in RMB thousands unless otherwise stated)

	Notes	2006 RMB'000	2005 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,181,145	592,848
Adjustments for:			
Finance costs	8	246,942	142,508
Interest income	7	(13,956)	(6,938)
Loss/(gain) on disposal of items of property, plant and equipment	6, 7	(1,123)	10,809
Fair value losses/(gains), net:			
Derivative instruments – transactions not qualifying as hedges	7	(1,668)	3,726
Depreciation	15, 16	476,532	346,092
Write-down of inventories to net realisable value	7	88,723	68,137
Impairment of trade receivables	7	56,317	38,792
Recognition of prepaid land lease payments	17	7,470	2,244
Amortisation	19	49,168	10,208
		2,089,550	1,208,426
Increase in inventories		(1,014,084)	(780,104)
(Increase)/decrease in trade receivables		(803,420)	167,621
Increase in bills receivable		(399,118)	(143,952)
Decrease in prepayments, deposits and other receivables		25,836	78,042
Decrease/(increase) in amounts due from related parties		500	(983)
Decrease/(increase) in derivative financial assets		17,717	(22,898)
(Decrease)/increase in derivative financial liabilities		(13,610)	19,172
Increase in trade and bills payables		2,123,325	798,026
Increase in other payables and accruals		277,192	123,152
Increase in advances from customers		247,121	156,362
Decrease in amounts due to related parties		—	(20,330)
Increase/(decrease) in provision for warranty		10,036	(1,812)
Increase in factored trade receivables		(511,663)	(275,355)
Increase in bank advances on factored trade receivables		511,663	275,355
Cash generated from operations		2,561,045	1,580,722
Interest received		13,956	6,938
Taxes paid		(73,173)	(72,802)
Net cash inflow from operating activities		2,501,828	1,514,858

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Net cash inflow from operating activities		2,501,828	1,514,858
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(2,813,694)	(1,716,600)
Additions to prepaid land lease payments	17	(1,535)	—
Additions to other intangible assets	19	(191,583)	(166,781)
Proceeds from disposal of items of property, plant and equipment		13,166	3,062
Additional equity interests in subsidiaries		—	(27,269)
Increase in restricted bank deposits		(35,715)	(24,180)
Net cash outflow from investing activities		(3,029,361)	(1,931,768)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		5,122,793	4,205,219
Repayment of bank loans		(3,410,627)	(3,319,279)
Interest paid		(249,271)	(157,893)
Dividends paid		—	(311,292)
Net cash inflow from financing activities		1,462,895	416,755
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		682,129	682,540
Effect of foreign exchange rate changes, net		(179)	(256)
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,617,312	682,129
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	1,609,482	682,129
Non-pledged time deposits with original maturity of less than three months when acquired	25	7,830	—
Cash and cash equivalents		1,617,312	682,129