

Consolidated Cash Flow Statement

Year ended 31 December 2006

	<i>Notes</i>	2006 RMB'000	2005 <i>RMB'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		742,656	561,568
Adjustments for:			
Interest income	5	(36,541)	(28,114)
(Write-back of) Impairment of receivables	6	(4,009)	4,859
Write-down of inventories to net realisable value	6	18,589	17,901
Provision of product warranties		8,888	(1,515)
Share of profits and losses of jointly-controlled entities	19	(12,362)	(5,807)
Share of profits and losses of an associate	20	2	–
Loss on disposal of items of property, plant and equipment	6	529	1,265
Depreciation	6	141,273	110,134
Recognition of prepaid land premium	6	2,695	1,944
Recognition of deferred income	5	(1,948)	(974)
(Write-back of) Impairment of items of property, plant and equipment	6	(4,901)	6,170
Unrealised (gain)/loss on revaluation of held for trading financial assets	5,6	(476)	113
		854,395	667,544
(Increase)/decrease in inventories		(11,255)	(303,966)
(Increase)/decrease in trade receivables		31,034	(10,643)
(Increase)/decrease in bills receivable		(17,972)	66,047
(Increase)/decrease in other receivables		(22,377)	(73,699)
Increase/(decrease) in trade payables		33,987	327,546
Increase/(decrease) in bills payable		(10,715)	(39,217)
Increase/(decrease) in other payables		159,617	229,383
Cash generated from operations		1,016,714	862,995
Interest paid		–	–
Income taxes paid		(43,274)	(98,711)
Net cash inflow from operating activities		973,440	764,284

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Year ended 31 December 2006

	<i>Notes</i>	2006 RMB'000	2005 <i>RMB'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		36,541	28,114
Purchases of items of property, plant and equipment		(15,957)	(30,907)
Prepayment of land premium	15	(67,306)	(36,825)
Proceeds from disposal of items of property, plant and equipment		6,015	2,543
Proceeds from disposal of land premium		5,830	–
Payment of construction cost		(882,781)	(338,252)
Acquisition of subsidiaries	34(a)	150	250
Acquisition of minority interests		(4,367)	–
Investments in an associate		(125)	–
Payment to minority shareholders upon deregistration of a subsidiary	34(b)	–	(250)
Receipt of government grants		–	58,433
Proceeds from disposal of held for trading financial assets		7	–
Net cash outflow from investing activities		(921,993)	(316,894)
CASH FLOWS FROM FINANCING ACTIVITIES			
Contribution from minority shareholders		1,881	–
Dividends paid to minority shareholders		(28,509)	(53,732)
Dividends paid		(152,307)	(33,859)
Net cash outflow from financing activities		(178,935)	(87,591)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(127,488)	359,799
Cash and cash equivalents at beginning of year		2,556,676	2,196,877
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,429,188	2,556,676

Major non-cash transactions

- (i) No material non-cash transactions occurred during the year.