



Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 RMB'000	2005 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		302,581	218,556
Adjustments for:			
Finance costs	7	14,352	13,819
Interest income	5	(25,048)	(1,238)
Loss on disposal of an associate	6	277	—
Share of loss of an associate		80	—
Losses/(gains) on disposal of items of property, plant and equipment, net	6	(53)	199
Depreciation of items of property, plant and equipment	6	33,764	25,335
Amortisation of prepaid land lease payments	6	556	564
Amortisation of intangible assets	6	2,192	2,345
Provision for impairment of trade and other receivables, net	6	17,520	4,318
Provision for obsolete inventories	6	12,297	11,883
Write-off of an available-for-sale financial asset	6	306	—
Excess of the acquirers' additional interests in the carrying value of the acquirees' net assets over the cost of acquisition of additional interests in subsidiaries	5	(7,952)	—
		350,872	275,781
Increase in trade receivables, notes receivable, prepayments, deposits and other receivables		(14,778)	(92,164)
Increase in inventories		(145,576)	(53,162)
Increase/(decrease) in trade payables, notes payable, other payables and accruals		17,025	(57,112)
Increase in provision for warranties		5,000	8,521
Cash generated from operations		212,543	81,864
Interest paid		(14,352)	(13,819)
Income tax paid		(203)	(14,214)
Net cash inflow from operating activities		197,988	53,831

	Notes	2006 RMB'000	2005 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,382	1,238
Purchases of items of property, plant and equipment	13	(102,608)	(100,396)
Additions to prepaid land lease payments	14	(11,508)	(306)
Additions to intangible assets	15	(2,994)	(724)
Proceeds from disposal of items of property, plant and equipment		4,016	3,677
Proceeds from disposal of an available-for-sale financial asset		100	—
Instalments on acquisition of certain subsidiaries in a prior year		(19,095)	(17,000)
Acquisition of additional interests in subsidiaries	5(i)	(14,047)	—
Investment in an associate		(2,000)	—
Disposal of an associate		703	—
Increase in pledged deposits		(2,969)	—
Net cash outflow from investing activities		<u>(148,020)</u>	<u>(113,511)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	29	2,209,968	—
Interest income received on application funds		22,666	—
Share issuing expenses		(122,781)	—
New bank and other borrowings		480,537	294,541
Repayment of bank and other borrowings		(368,521)	(280,519)
Contributions from the other promoters		—	39,800
Dividends paid	10(ii)	(167,538)	—
Dividends paid to minority shareholders		(8,115)	(300)
Net cash inflow from financing activities		<u>2,046,216</u>	<u>53,522</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,096,184	(6,158)
Cash and cash equivalents at beginning of year		165,126	171,284
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>2,261,310</u>	<u>165,126</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	<u>2,261,310</u>	<u>165,126</u>