

Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 RMB'000	2004 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:			
From continuing operations		671,233	745,781
From discontinued operations	12	–	344
Adjustments for:			
Finance costs	7	174,489	148,043
Share of profits of associates		(47,660)	(29,390)
Interest income	5	(10,983)	(7,916)
Dividend income	5	(1,404)	(2,290)
Losses/(gains) on disposal of items of property, plant and equipment	6	1,050	(3,032)
Losses/(gains) on disposal of other financial assets, net	5, 6	(2,523)	7,746
Unrealised losses on other financial assets, net	6	300	1,249
Depreciation	6	304,229	280,719
Amortisation of lease prepayments	6	12,970	14,254
Amortisation of intangible assets	6	15,315	1,579
Provision/(write-back of provision) for doubtful debts on trade and other receivables, net	6	(17,357)	4,386
Provision for obsolete inventories	6	8,153	4,979
Provision for supplementary pension subsidies and early retirement benefits		–	9,715
Impairment of property, plant and equipment, net	6	–	26
Excess of the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost on acquisition of a subsidiary	5	–	(170,817)
Gain on dilution of interest in a subsidiary	5	–	(121,275)
Gain on reorganisation of a subsidiary	5	–	(22,426)
Utilisation of government grants	5	(13,144)	(26,053)
Loss on dilution of interest in a subsidiary	6	55,630	–
Operating profit before working capital changes		1,150,298	835,622
Increase in inventories		(640,310)	(666,293)
Decrease in trade receivables		174,580	130,188
Decrease/(increase) in bills receivable		(7,533)	1,165
Increase in prepayments, deposits and other receivables		(137,269)	(225,919)
Increase in trade payables		90,037	11,658
Decrease in bills payable		(193,874)	(85,563)
Increase/(decrease) in other payables and accruals		(70,492)	89,744
Movement of balances with associates		33,818	(20,677)
Cash generated from operations		399,255	69,925
Interest paid		(182,549)	(154,697)
Income tax paid		(48,970)	(35,577)
Net cash inflow/(outflow) from operating activities		167,736	(120,349)

	Notes	2005 RMB'000	2004 RMB'000
Net cash inflow/(outflow) from operating activities		167,736	(120,349)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5	10,983	7,916
Dividends received from other financial assets		–	2,290
Dividends received from associates		47,844	7,630
Additions to intangible assets	17	(39,372)	(7,288)
Additions to lease prepayments	16	(18,000)	(6,421)
Purchases of items of property, plant and equipment		(527,716)	(501,250)
Proceeds from disposal of items of property, plant and equipment		44,163	36,249
Proceeds from disposal of lease prepayments		–	1,848
Proceeds from disposal of other financial assets		17,982	20,433
Proceeds from disposal of available-for-sale financial assets		–	5,400
Proceeds from disposal of associates		–	6,511
Proceeds from disposal of interests in subsidiaries		–	271
Acquisition of a subsidiary	37(a)	240,875	38,788
Deconsolidation of subsidiaries	37(b)	–	(111,883)
Acquisition of associates		–	(8,550)
Additional investment in an associate	38(f)	(57,020)	–
Receipt of government grants		43,827	18,387
Purchases of available-for-sale financial assets		(1,192)	(51,204)
Purchase of other financial assets		(12,409)	(25,127)
Decrease/(increase) in pledged deposits		83,554	(15,181)
Decrease in non-pledged time deposits with original maturity over three months when acquired		2,504	–
Net cash outflow from investing activities		(163,977)	(581,181)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		3,338,160	3,629,699
Repayment of bank loans		(3,007,634)	(2,889,971)
Contributions from equity holders of the parent	35	92,500	32,823
Distribution to the ultimate holding company		–	(37,223)
Capital contributions by minority shareholders		3,900	582
Dividends paid to minority shareholders		(6,164)	(270)
Net cash inflow from financing activities		420,762	735,640
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		372,288	338,178
Effect of foreign exchange rate changes, net		837	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	27	797,646	372,288