

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	Note	2006 RMB'000	2005 RMB'000
OPERATING ACTIVITIES			
Profit before taxation		889,109	410,602
Adjustments for:			
Share of profit of an associate		(32,094)	(941)
Finance costs		63,160	42,978
Interest income		(10,780)	(10,246)
Depreciation of property, plant and equipment		193,662	109,597
Release of prepaid lease payments		1,278	1,278
Amortisation of intangible assets		62,223	62,223
(Gain) loss on disposal of property, plant and equipment		(879)	489
(Reversal of) impairment loss on trade receivables		(29,387)	15,272
Operating cash flows before movements in working capital		1,136,292	631,252
Increase in inventories		(251,414)	(216,429)
Increase in trade and bills receivables		(205,840)	(515,409)
Decrease (increase) in deposits, prepayments and other receivables		30,206	(25,828)
Increase (decrease) in trade and bills payables		654,064	(144,040)
Increase in other payables and accruals		176,763	92,017
Increase in warranty provision		28,606	5,563
Cash generated from (used in) operations		1,568,677	(172,874)
Tax paid		(158,711)	(107,608)
Tax refunded		—	8,151
Interest income		10,780	10,246
NET CASH FROM (USED IN) OPERATING ACTIVITIES		1,420,746	(262,085)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment and deposits paid for acquisition of property, plant and equipment		(624,023)	(593,048)
Acquisition of a subsidiary	30	(684,742)	—
Increase in pledged bank deposits		(87,983)	(37,225)
Proceeds from disposal of property, plant and equipment		1,299	250
Investment in an associate		—	(560,250)
NET CASH USED IN INVESTING ACTIVITIES		(1,395,449)	(1,190,273)

Consolidated

Cash Flow Statement

For the year ended 31st December, 2006

	Note	2006 RMB'000	2005 RMB'000
FINANCING ACTIVITIES			
Repayments of bank borrowings and discounted bills with recourse		(395,200)	(1,225,500)
Dividends paid		(120,450)	(103,950)
Repayments to a related party		(68,445)	(87,414)
Interest paid		(53,841)	(30,843)
New bank and other borrowings raised		498,029	634,241
Discounted bills with recourse raised		—	1,140,700
Capital contributions from minority shareholders		—	60,900
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(139,907)	388,134
NET DECREASE IN CASH AND CASH EQUIVALENTS		(114,610)	(1,064,224)
CASH AND CASH EQUIVALENTS AT 1ST JANUARY		709,996	1,774,220
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER, REPRESENTED BY BANK BALANCES AND CASH		595,386	709,996