

Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	2005	2004
	RMB'000	RMB'000 (restated)
OPERATING ACTIVITIES		
Profit before tax	410,602	738,738
Adjustments for:		
Share of results of an associate	(941)	—
Finance costs	42,978	53,159
Depreciation of property, plant and equipment	109,597	53,835
Amortisation of prepaid lease payments	1,278	699
Amortisation of intangible assets	62,223	72,595
Loss on disposal of property, plant and equipment	489	1,266
Impairment loss on trade receivables	15,272	17,244
Operating cash flows before movements in working capital	641,498	937,536
Increase in inventories	(216,429)	(149,244)
Increase in trade and bills receivables (Note)	(515,409)	(54,646)
Increase in deposits, prepayments and other receivables	(25,828)	(57,670)
(Decrease) increase in trade and bills payables	(144,040)	630,455
Increase in other payables and accruals	92,017	198,921
Increase in warranty provision	5,563	5,692
Cash (used in) generated from operations	(162,628)	1,511,044
Tax paid	(107,608)	(121,753)
Tax refunded	8,151	—
NET CASH (USED IN) FROM OPERATING ACTIVITIES (Note)	(262,085)	1,389,291
INVESTING ACTIVITIES		
Purchases of property, plant and equipment and deposits paid for acquisition of property, plant and equipment	(593,048)	(853,130)
Investment in an associate	(560,250)	—
(Increase) decrease in pledged bank deposits	(37,225)	57,133
Proceeds from disposal of property, plant and equipment	250	312
Purchases of prepaid lease payments	—	(49,903)
Purchases of investment securities	—	(20,000)
NET CASH USED IN INVESTING ACTIVITIES	(1,190,273)	(865,588)

Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	2005	2004
	RMB'000	RMB'000 (restated)
FINANCING ACTIVITIES		
Discounted bills with recourse raised (Note)	1,140,700	—
New bank borrowings raised	634,241	20,000
Capital contributions from minority shareholders	60,900	—
Repayments of bank borrowings and discounted bills with recourse	(1,225,500)	(151,720)
Dividends paid	(103,950)	(72,075)
Interest paid	(30,843)	(53,159)
Amount repaid to a related party	(87,414)	(67,409)
Share issue expenses	—	(66,381)
Proceeds from issue of shares	—	1,281,797
Amount advanced from a related party	—	21,245
NET CASH FROM FINANCING ACTIVITIES (Note)	388,134	912,298
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,064,224)	1,436,001
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	1,774,220	338,219
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER, REPRESENTED BY BANK BALANCES AND CASH	709,996	1,774,220

Note: Consequent to the adoption of Hong Kong Accounting Standard 39 (HKAS 39), as disclosed in note 2 to the financial statements, bills discounted with full recourse have not been derecognised in the balance sheet. Consequently, cash flows from operating and financing activities are not comparable to the cash flows for the year ended 31st December, 2004 as HKAS 39 does not permit retrospective application. Had retrospective application been permitted and applied, the cash flows of the Group would have been as follows:

	2005	2004
	RMB'000	RMB'000 (restated)
Net cash (used in) from operating activities, as reported	(262,085)	1,389,291
Add: Cash inflow (outflow) from bills discounted with recourse	704,605	(704,605)
	442,520	684,686
Net cash from financing activities, as reported	388,134	912,298
Add: Cash (outflow) inflow from bills discounted with recourse	(704,605)	704,605
	(316,471)	1,616,903