

Interim Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2006

	Notes	For the six months ended 30 June	
		2006 (Unaudited) RMB'000	2005 (Unaudited) RMB'000 (Restated) (note 1)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from operations before income tax		525,505	414,965
Adjustments for:			
Finance income	6	(66,333)	(20,989)
Fair value gain on the derivative component of convertible bonds	6, 17	(54,237)	–
Depreciation	5	49,666	19,769
Loss on disposal of items of property, plant and equipment		–	15
Loss on disposal of subsidiaries		–	2,302
Amortisation of intangible assets	5	1,295	–
Transaction cost related to the derivative component of convertible bonds	5	2,731	–
Interest expenses on the convertible bonds	6, 17	27,661	–
Operating profit before working capital changes		486,288	416,062
Decrease in other investment		–	159
(Increase)/decrease in inventories		49,922	(352,041)
Increase in bills receivable		(377)	(680)
Increase in trade receivables		(36,245)	(32,030)
(Increase)/decrease in prepayments, deposits and other receivables		111,819	(284,293)
Decrease in amounts due from related parties		43,060	187,438
Decrease in client trust bank balances		–	10,947
Increase in pledged deposits		(920,585)	(974,877)
Increase in trade and bills payables		1,550,777	1,964,814
Increase in customers' deposits, other payables and accruals		67,577	20,852
Decrease in amounts due to a related party		(83)	(85)
Cash generated from operating activities		1,352,153	956,266
Interest received		66,333	20,990
Dividends paid		(73,450)	(43,525)
Dividends of subsidiaries		(136,500)	(83,601)
Hong Kong profits tax paid		–	(6,138)
PRC income tax refunded		5,699	–
PRC income tax paid		(3,195)	(48,070)
Net cash inflow from operating activities		1,211,040	795,922

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CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(181,407)	(194,639)
Proceeds from disposal of items of property, plant and equipment		339	1,950
Acquisition of subsidiaries		(148,318)	–
Acquisition of minority interests	1	(1,019,700)	–
Disposal of subsidiaries, net		–	30,707
Net cash outflow from investing activities		(1,349,086)	(161,982)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of convertible notes	17	999,950	–
Issue of warrants	18	24,102	–
Transaction costs for issuing convertible bonds and warrants		(10,710)	–
Net cash inflow from financing activities		1,013,342	–
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		1,079,347	1,659,094
Exchange difference		268	–
CASH AND CASH EQUIVALENTS AT 30 JUNE		1,954,911	2,293,034
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances		1,739,733	1,468,893
Time deposits		4,270,291	2,700,337
		6,010,024	4,169,230
Less: Time deposits pledged for bills payable		(4,055,113)	(1,876,196)
Cash and cash equivalents		1,954,911	2,293,034