

Consolidated Cash Flow Statement

for the year ended 31 December 2006

(Expressed in RMB)



	2006 RMB'000	2005 RMB'000
Operating activities		
Profit before taxation	10,348	16,930
Adjustments for:		
Depreciation and amortisation	47,893	29,888
Interest income	(4,826)	(1,007)
Finance costs	15,538	7,739
Net loss/(gain) on disposal of property, plant and equipment	10	(17)
Excess of the net fair value of the acquired net assets over cost	(24,315)	—
Operating profit before changes in working capital	44,648	53,533
Decrease/(increase) in inventories	5,008	(14,241)
Increase in trade and other receivables	(28,250)	(16,057)
Increase in trade and other payables	45,757	25,495
Cash generated from operations	67,163	48,730
PRC income tax paid	(114)	(1,645)
Net cash from operating activities	67,049	47,085
Investing activities		
Payment for purchase of property, plant and equipment	(85,921)	(206,194)
Proceeds from disposal of property, plant and equipment	921	36
Payment for acquisitions of equity interests in subsidiaries, net of cash acquired	(105,879)	—
Payment for acquisitions of minority interests	(41,275)	—
Payment for establishment of an associate	(9,815)	—
Payment for land use right premiums	(4,448)	(6,428)
Advances to related parties	(10,339)	—
Advances repaid by related parties	18,090	—
Interest received	2,129	1,007
Net cash used in investing activities	(236,537)	(211,579)

The notes on pages 44 to 96 form part of these financial statements.



Consolidated Cash Flow Statement (Continued)

for the year ended 31 December 2006

(Expressed in RMB)

	2006 RMB'000	2005 RMB'000
Financing activities		
Proceeds from new bank and other loans	306,100	113,000
Repayment of bank loans	(250,000)	(129,000)
Advances from equity shareholders of the Company	—	90,227
Proceeds from convertible notes	52,171	4,085
Proceeds from shares issued	—	208,934
Share issue expenses	—	(25,210)
Contributions from minority interests	36,196	12,727
Distributions to the then equity shareholders	—	(89,852)
Dividends paid to equity shareholders of the Company	(1,883)	—
Other finance costs paid	(16,261)	(13,209)
	<hr/>	<hr/>
Net cash generated from financing activities	126,323	171,702
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(43,165)	7,208
Cash and cash equivalents at the beginning of the year	113,585	106,453
Effect of foreign exchange rate changes	(3,145)	(76)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	67,275	113,585
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 44 to 96 form part of these financial statements.