Consolidated Cash Flow Statement

for the year ended 31 December 2006 (Expressed in RMB)



Profit before taxationRMB*000RMB*000Adjustments for: Depreciation and amortisation47,89329,888Interest income(4,826)(1.007)Finance costs10,3487,739Net loss/(gain) on disposal of property, plant and equipment10(17)Excess of the net fair value of the acquired10(17)net assets over cost(24,315)—Operating profit before changes in working capital44,64853,533Decrease/(increase) in inventories5,008(14,241)Increase in trade and other payables28,250)(16,057)Increase in trade and other payables67,16348,730PRC income tax paid(114)(1.645)Net cash from operating activities67,04947,085Investing activities(105,379)—Payment for acquisitions of equipment92136Proceeds from disposal of property, plant and equipment92136Payment for acquisitions of equity interests(10,379)—Payment for land use right premiums(4,448)(6,428)Advances to related parties(10,339)—Payment for land use right premiums(4,448)(6,428)Advances to related parties18,090—Payment for land use right premiums(4,448)<		2006	2005
Profit before taxation10,34816,930Adjustments for: Depreciation and amortisation47,89329,888Interest income(4,826)(1,007)Finance costs15,5387,739Net loss/(gain) on disposal of property, plant and equipment10(17)Excess of the net fair value of the acquired net assets over cost(24,315)—Operating profit before changes in working capital44,64853,533Decrease/(increase) in inventories5,008(14,241)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operating activities67,16348,730PRC income tax poid(114)(1,645)Investing activities(206,194)Payment for acquisitions of property, plant and equipment92136Payment for acquisitions of property, plant and equipment92136Payment for acquisitions of minority interests in subsidiaries, net of cash acquired(105,879)—Payment for acquisitions of minority interests(10,5879)—Payment for acquisitions of minority interests(10,339)—Payment for land use right premiums(4,448)(6,428)Advances to related parties(10,339)—Advances to related parties(10,339)—Payment for land use right premiums(10,339)—Advances to related parties18,090—Interest received2,1291,007 <th></th> <th>RMB'000</th> <th>RMB'000</th>		RMB'000	RMB'000
Profit before taxation10,34816,930Adjustments for: Depreciation and amortisation47,89329,888Interest income(4,826)(1,007)Finance costs15,5387,739Net loss/(gain) on disposal of property, plant and equipment10(17)Excess of the net fair value of the acquired net assets over cost(24,315)—Operating profit before changes in working capital44,64853,533Decrease/(increase) in inventories5,008(14,241)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operating activities67,16348,730PRC income tax poid(114)(1,645)Investing activities(206,194)Payment for acquisitions of property, plant and equipment92136Payment for acquisitions of property, plant and equipment92136Payment for acquisitions of minority interests in subsidiaries, net of cash acquired(105,879)—Payment for acquisitions of minority interests(10,5879)—Payment for acquisitions of minority interests(10,339)—Payment for land use right premiums(4,448)(6,428)Advances to related parties(10,339)—Advances to related parties(10,339)—Payment for land use right premiums(10,339)—Advances to related parties18,090—Interest received2,1291,007 <th></th> <th></th> <th></th>			
Adjustments for: Depreciation and amortisation47,893 29,888 (1,007)Interest income(4,826)Finance costs15,538Net loss/(gain) on disposal of property, plant and equipment10Excess of the net fair value of the acquired net assets over cost(24,315)Operating profit before changes in working capital44,648Decrease/(increase) in inventories5,008Decrease/(increase) in inventories(28,250)Increase in trade and other receivables(28,250)Increase in trade and other payables44,5757Cash generated from operations67,163PRC income tax paid(114)Investing activities67,049Payment for purchase of property, plant and equipment921Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)Payment for acquisitions of equity interests(11,275)Payment for acquisitions of minority interests(11,275)Payment for cacquisitions of minority interests(11,275)Payment for lord use right premiums(4,448)Advances repaid by related parties(10,339)Advances repaid by related parties18,090Interest received2,122Interest received2,122	· · ·	10.249	16.020
Depreciation and amortisation47,89329,888Interest income(4,826)(1,007)Finance costs15,5387,739Net loss/(gain) on disposal of property, plant and equipment10(17)Excess of the net fair value of the acquired(24,315)net assets over cost(24,315)Operating profit before changes in working capital44,64853,533Decrease/(increase) in inventories(28,250)(16,057)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax paid(114)(1,645)Investing activities67,04947,085Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)Payment for caquisitions of minority interests(41,275)-Payment for caquisitions of minority interests(41,275)-Payment for land use right premiums(4,448)(6,428)Advances to related parties(10,339)Advances to related parties18,090Interest received(2,129)1,007-		10,340	10,930
Interest income(4,826)(1,007)Finance costs15,5387,739Net loss/(gain) on disposal of property, plant and equipment10(17)Excess of the net fair value of the acquired	Adjustments for:		
Finance costs15,5387,739Net loss/(gain) on disposal of property, plant and equipment10(17)Excess of the net fair value of the acquired(24,315)—net assets over cost(24,315)—Operating profit before changes in working capital44,64853,533Decrease/(increase) in inventories5,008(14,241)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax paid(114)(1,645)Investing activities67,04947,085Investing activities67,04936Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)—Payment for acquisitions of minority interests(41,275)—Payment for land use right premiums(4,448)(6,428)Advances to related parties(10,339)—Payment for land use right premiums(10,339)—Advances to related parties18,090—Interest received2,1291,007	Depreciation and amortisation	47,893	29,888
Net loss/(gain) on disposal of property, plant and equipment10(17)Excess of the net fair value of the acquired net assets over cost(24,315)—Operating profit before changes in working capital44,64853,533Decrease/(increase) in inventories5,008(14,241)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax poid(114)(1,645)Net cash from operating activities67,04947,085Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)—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 parties18,090—Interest received2,1291,007	Interest income	(4,826)	(1,007)
Excess of the net foir value of the acquired net assets over cost(24,315)—Operating profit before changes in working capital44,64853,533Decrease/(increase) in inventories5,008(14,241)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax pold(114)(1,645)Net cash from operating activities67,04947,085Investing activities67,04947,085Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)—Payment for establishment of an associate(4,448)(6,428)Advances to related parties(10,339)—Advances repaid by related parties18,090—Interest received2,1291,007	Finance costs	15,538	7,739
net assets over cost(24,315)Operating profit before changes in working capital44,64853,533Decrease/(increase) in inventories5,008(14,241)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax paid(114)(1,645)Net cash from operating activities67,04947,085Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)	Net loss/(gain) on disposal of property, plant and equipment	10	(17)
Operating profit before changes in working capital44,64853,533Decrease/(increase) in inventories5,008(14,241)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax paid(114)(1,645)Net cash from operating activities67,04947,085Investing activities67,04947,085Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)-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 parties18,090-Interest received2,1291,007	Excess of the net fair value of the acquired		
Decrease/(increase) in inventories5,008(14,241)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax paid(114)(1,645)Net cash from operating activities67,04947,085Investing activities67,04947,085Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)-Payment for establishment of an associate(9,815)-Payment for land use right premiums(4,448)(6,428)Advances to related parties18,090-Interest received2,1291,007	net assets over cost	(24,315)	—
Decrease/(increase) in inventories5,008(14,241)Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax paid(114)(1,645)Net cash from operating activities67,04947,085Investing activities67,04947,085Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)-Payment for establishment of an associate(9,815)-Payment for land use right premiums(4,448)(6,428)Advances to related parties18,090-Interest received2,1291,007			
Increase in trade and other receivables(28,250)(16,057)Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax paid(114)(1,645)Net cash from operating activities67,04947,085Investing activities67,04947,085Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)-Payment for acquisitions of minority interests(41,275)-Payment for land use right premiums(4,448)(6,428)Advances to related parties(10,339)-Advances repaid by related parties18,090-Interest received2,1291,007	Operating profit before changes in working capital	44,648	53,533
Increase in trade and other payables45,75725,495Cash generated from operations67,16348,730PRC income tax paid(114)(1,645)Net cash from operating activities67,04947,085Investing activities67,04947,085Payment for purchase of property, plant and equipment(85,921)(206,194)Proceeds from disposal of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)Payment for acquisitions of minority interests(41,275)-Payment for acquisitions of minority interests(44,48)(6,428)Advances to related parties18,090-Interest received2,1291,007	Decrease/(increase) in inventories	5,008	(14,241)
Cash generated from operations67,16348,730PRC income tax paid(114)(1,645)Net cash from operating activities67,04947,085Investing activities67,04947,085Payment for purchase of property, plant and equipment92136Payment for acquisitions of equity interests in subsidiaries, net of cash acquired(105,879)-Payment for establishment of an associate(9,815)-Payment for land use right premiums(4,448)(6,428)Advances to related parties18,090-Interest received2,1291,007	Increase in trade and other receivables		(16,057)
PRC income tax paid(114)(1,645)Net cash from operating activities67,04947,085Investing activities67,04947,085Payment for purchase of property, plant and equipment(85,921)(206,194)Proceeds from disposal of property, plant and equipment92136Payment 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 parties18,090Interest received2,1291,007	Increase in trade and other payables	45,757	25,495
PRC income tax paid(114)(1,645)Net cash from operating activities67,04947,085Investing activities67,04947,085Payment for purchase of property, plant and equipment(85,921)(206,194)Proceeds from disposal of property, plant and equipment92136Payment 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 parties18,090Interest received2,1291,007		(71()	40 700
Net cash from operating activities67,04947,085Investing activitiesPayment for purchase of property, plant and equipment(85,921)(206,194)Proceeds from disposal of property, plant and equipment92136Payment 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 parties18,090Interest received2,1291,007	-		
Investing activities(85,921)(206,194)Payment for purchase of property, plant and equipment92136Payment 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 parties18,090-Interest received2,1291,007	PRC Income rax pala	(114)	(1,045)
Investing activities(85,921)(206,194)Payment for purchase of property, plant and equipment92136Payment 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 parties18,090-Interest received2,1291,007	Net cash from operating activities	67 049	47 085
Payment for purchase of property, plant and equipment(85,921)(206,194)Proceeds from disposal of property, plant and equipment92136Payment 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 parties18,090-Interest received2,1291,007			
Proceeds from disposal of property, plant and equipment92136Payment 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 parties110,339)Interest received2,1291,007	Investing activities		
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 parties18,090Interest received2,1291,007	Payment for purchase of property, plant and equipment	(85,921)	(206,194)
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 parties18,090Interest received2,1291,007	Proceeds from disposal of property, plant and equipment	921	36
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 parties18,090Interest received2,1291,007	Payment for acquisitions of equity interests in subsidiaries,		
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 parties18,090Interest received2,1291,007	net of cash acquired	(105,879)	—
Payment for land use right premiums(4,448)(6,428)Advances to related parties(10,339)Advances repaid by related parties18,090Interest received2,1291,007	Payment for acquisitions of minority interests	(41,275)	—
Advances to related parties(10,339)Advances repaid by related parties18,090Interest received2,1291,007	Payment for establishment of an associate	(9,815)	—
Advances repaid by related parties 18,090 — Interest received 2,129 1,007	Payment for land use right premiums	(4,448)	(6,428)
Interest received 2,129 1,007	Advances to related parties	(10,339)	_
	Advances repaid by related parties	18,090	_
Net cash used in investing activities (236,537) (211,579)	Interest received	2,129	1,007
Net cash used in investing activities (236,537) (211,579)			
	Net cash used in investing activities	(236,537)	(211,579)

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

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Consolidated Cash Flow Statement (Continued)



for the year ended 31 December 2006 (Expressed in RMB)

Financing activitiesRMB'000Proceeds from new bank and other loans306,100Repayment of bank loans(250,000)Advances from equity shareholders of the Company–Proceeds from convertible notes52,171Proceeds from shares issued–Proceeds from shares issued–Share issue expenses–Contributions from minority interests36,196Distributions to the then equity shareholders–Other finance costs paid(16,261)Net cash generated from financing activities(13,209)Net (decrease)/increase in cash and cash equivalents(43,165)Cash and cash equivalents at the beginning of the year113,585Effect of foreign exchange rate changes(76)Cash and cash equivalents at the end of the year67,275Cash and cash equivalents at the end of the year113,585		2006	2005
Proceeds from new bank and other loans306,100113,000Repayment of bank loans(250,000)(129,000)Advances from equity shareholders of the Company–90,227Proceeds from convertible notes52,1714,085Proceeds from shares issued–208,934Share issue expenses–(25,210)Contributions from minority interests36,19612,727Distributions 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)Net (decrease)/increase in cash and cash equivalents(43,165)7,208Effect of foreign exchange rate changes(3,145)(76)		RMB'000	RMB'000
Repayment of bank loans(250,000)(129,000)Advances from equity shareholders of the Company—90,227Proceeds from convertible notes52,1714,085Proceeds from shares issued—208,934Share issue expenses—(25,210)Contributions from minority interests36,19612,727Distributions to the then equity shareholders—(89,852)Dividends paid to equity shareholders of the Company(116,261)(13,209)Net cash generated from financing activities126,323171,702Net (decrease)/increase in cash and cash equivalents(43,165)7,208Effect of foreign exchange rate changes(3,145)(76)	Financing activities		
Advances from equity shareholders of the Company–90,227Proceeds from convertible notes52,1714,085Proceeds from shares issued–208,934Share issue expenses–(25,210)Contributions from minority interests36,19612,727Distributions 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)Net cash generated from financing activities126,323171,702Net (decrease)/increase in cash and cash equivalents(43,165)7,208Effect of foreign exchange rate changes(3,145)(76)	Proceeds from new bank and other loans	306,100	113,000
Proceeds from convertible notes52,1714,085Proceeds from shares issued—208,934Share issue expenses—(25,210)Contributions from minority interests36,19612,727Distributions 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)Net cash generated from financing activities126,323171,702Net (decrease)/increase in cash and cash equivalents(43,165)7,208Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)	Repayment of bank loans	(250,000)	(129,000)
Proceeds from shares issued-208,934Share issue expenses-(25,210)Contributions from minority interests36,19612,727Distributions 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)Net cash generated from financing activities126,323171,702Net (decrease)/increase in cash and cash equivalents(43,165)7,208Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)	Advances from equity shareholders of the Company	—	90,227
Share issue expenses—(25,210)Contributions from minority interests36,19612,727Distributions 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)Net cash generated from financing activities126,323171,702Net (decrease)/increase in cash and cash equivalents(43,165)7,208Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(76)(76)	Proceeds from convertible notes	52,171	4,085
Contributions from minority interests36,19612,727Distributions 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)Net cash generated from financing activities126,323171,702Net (decrease)/increase in cash and cash equivalents(43,165)7,208Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)	Proceeds from shares issued	—	208,934
Distributions to the then equity shareholders	Share issue expenses	—	(25,210)
Dividends paid to equity shareholders of the Company(1,883)-Other finance costs paid(16,261)(13,209)Net cash generated from financing activities126,323171,702Net (decrease)/increase in cash and cash equivalents(43,165)7,208Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)	Contributions from minority interests	36,196	12,727
Other finance costs paid(16,261)(13,209)Net cash generated from financing activities126,323171,702Net (decrease)/increase in cash and cash equivalents(43,165)7,208Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)	Distributions to the then equity shareholders	—	(89,852)
Net cash generated from financing activities126,323171,702Net (decrease)/increase in cash and cash equivalents(43,165)7,208Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)	Dividends paid to equity shareholders of the Company	(1,883)	_
Net (decrease)/increase in cash and cash equivalents(43,165)7,208Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)	Other finance costs paid	(16,261)	(13,209)
Net (decrease)/increase in cash and cash equivalents(43,165)7,208Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)			
Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)	Net cash generated from financing activities	126,323	171,702
Cash and cash equivalents at the beginning of the year113,585106,453Effect of foreign exchange rate changes(3,145)(76)			
Effect of foreign exchange rate changes (3,145) (76)	Net (decrease)/increase in cash and cash equivalents	(43,165)	7,208
Effect of foreign exchange rate changes (3,145) (76)	Cash and cash equivalents at the beginning of the year	113 585	106 453
		110,000	100,400
Cash and cash equivalents at the end of the year 67.275 113.585	Effect of foreign exchange rate changes	(3,145)	(76)
Cash and cash equivalents at the end of the year 67.275 113.585			
	Cash and cash equivalents at the end of the year	67,275	113,585

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