

Consolidated Cash Flow Statement



Year ended 31 December 2006

	Notes	2006 RMB'000	2005 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		161,774	115,519
Adjustments for:			
Finance costs	6	12,089	3,444
Bank interest income	5	(3,887)	(2,048)
Gain on disposal of items of property, plant and equipment	5	(181)	(204)
Amortisation of intangible asset	7	284	39
Depreciation	7	26,339	13,382
Recognition of prepaid land lease payments	7	492	276
		196,910	130,408
Increase in inventories		(233,725)	(73,570)
(Increase)/Decrease in trade receivables		(94,134)	14,127
(Increase)/Decrease in bills receivable		11,378	(15,164)
(Increase)/Decrease in prepayments, deposits and other receivables		(23,950)	1,129
(Increase)/Decrease in amounts due from related parties		21,977	(21,197)
Increase in trade and bills payables		190,532	252,093
Increase in other payables and accruals		19,979	19,971
Increase in amounts due to related parties		12,324	9,026
		101,291	316,823
Cash generated from operations		101,291	316,823
Interest paid		(12,089)	(3,444)
Income tax paid — PRC corporate income tax		(27,419)	(9,456)
		61,783	303,923

Consolidated Cash Flow Statement



Year ended 31 December 2006

	Notes	2006 RMB'000	2005 RMB'000
Net cash inflow from operating activities		61,783	303,923
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5, 7	3,887	2,048
Purchases of items of property, plant and equipment	14	(205,401)	(224,318)
Additions to prepaid land lease payments	16	—	(11,838)
Additions to intangible asset	17	(264)	(200)
Proceeds from disposal of property, plant and equipment		575	824
Increase in pledged time deposits		(146,075)	(41,667)
Net cash outflow from investing activities		(347,278)	(275,151)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		—	105,631
Issue expenses		—	(5,155)
Capital contributed by a minority shareholder		823	—
New bank loans		333,000	105,000
Repayment of bank loans		(178,000)	(85,000)
Dividends paid		(20,556)	(21,082)
Net cash inflow from financing activities		135,267	99,394
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		185,694	57,528
Effect of foreign exchange rate changes, net		(251)	—
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		35,215	185,694
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	34,138	110,166
Time deposits with original maturity of less than three months when acquired, pledged as security for bills payable		1,077	75,528
		35,215	185,694