

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER, 2006

NOTE	2006 RMB'000	2005 RMB'000
OPERATING ACTIVITIES		
Profit before taxation	616,076	265,822
Adjustments for:		
Discount of acquisition	-	(7,415)
Interest income	(2,970)	(4,812)
Interest expense	20,336	30,757
Allowance for bad and doubtful debts	14,069	91
Allowance for inventory	4,653	409
Loss on disposal of property, plant and equipment	5,531	2,584
Depreciation	32,548	26,357
Amortisation of lease land premium	3,416	1,038
Operating cash flows before movements in working capital	693,659	314,831
Increase in inventories	(253,416)	(50,011)
(Increase) decrease in trade receivables, bill receivables and other receivables	(428,033)	23,143
Decrease in amounts due from a director	-	1,829
Decrease in amounts due from related parties	-	3,455
(Decrease) increase in trade, bill and other payables	336,167	(109,629)
Increase (decrease) in provision	202	13,245
(Decrease) increase in amounts due to related parties	(541)	(21,445)
Cash generated from operations	348,038	175,418
Interest received	2,970	4,812
PRC income tax paid	(20,535)	(75,337)
NET CASH FROM OPERATING ACTIVITIES	330,473	104,893
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(341,168)	(123,205)
Payment for lease premium for land	(26,381)	(69,820)
Acquisition of subsidiaries	-	(36,369)
Proceeds on disposal of property, plant and equipment	13,027	1,678
(Increase) decrease in pledged bank deposits	(45,585)	20,702
Repayment of loan receivable	-	7,500
NET CASH (USED IN) INVESTING ACTIVITIES	(400,107)	(199,514)

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	2006 RMB'000	2005 RMB'000
FINANCING ACTIVITIES		
New bank borrowings raised	366,869	532,920
Interest paid	(20,490)	(30,603)
Repayment of bank borrowings	(555,320)	(563,500)
Contribution from a minority shareholder of subsidiary	-	944
Proceeds from issue of shares	-	501,616
Payment of listing expenses	-	(29,966)
Dividends paid	-	(67,684)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(208,941)	343,727
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(278,575)	249,106
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	408,014	158,908
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCE AND CASH	129,439	408,014