

# Consolidated Cash Flow Statement<sup>■</sup>

For the year ended 31 December, 2006

	<i>Notes</i>	<b>2006 RMB'000</b>	2005 RMB'000
Operating activities			
Profit before taxation		<b>289,589</b>	210,287
Adjustments for:			
Interest income		<b>(5,233)</b>	(2,473)
Interest expense		<b>2,827</b>	9,088
Depreciation of property, plant and equipment		<b>38,901</b>	32,382
Amortisation of intangible assets		<b>3,410</b>	2,195
Amortisation of prepaid lease premium for land		<b>1,828</b>	1,088
(Gain) loss on disposal of property, plant and equipment		<b>(119)</b>	883
Discount arising on acquisition of additional interests in a subsidiary		—	(328)
Share of profits of associates		<b>(21,167)</b>	(11,722)
Share of losses of jointly controlled entities		<b>2,648</b>	—
Allowance for inventories (written back)		<b>(556)</b>	(612)
Allowance for bad and doubtful debts (written back)		<b>1,215</b>	(1,282)
Operating cash flows before movements in working capital		<b>313,343</b>	239,506
Increase in inventories		<b>(37,477)</b>	(63,694)
Decrease (increase) in trade and other receivables		<b>(39,854)</b>	16,274
Increase in trade and other payables		<b>11,789</b>	51,019
Cash from operations		<b>247,801</b>	243,105
PRC income tax paid		<b>(11,981)</b>	(11,223)
Net cash from operating activities		<b>235,820</b>	231,882
Investing activities			
Interest received		<b>5,233</b>	2,473
Dividends received from associates		<b>10,220</b>	—
Purchase of property, plant and equipment		<b>(154,460)</b>	(148,375)
Acquisition of investment in an associate		<b>(9,370)</b>	—
Acquisition of investment in joint ventures		<b>(29,920)</b>	(8,071)
Proceeds from disposal of property, plant and equipment		<b>6,008</b>	1,140
Prepaid rentals for lease premium for land		<b>(25,283)</b>	(3,843)
Purchase of intangible assets		<b>(3,269)</b>	(5,810)
Acquisition of a subsidiary	26	<b>(20,106)</b>	—
Acquisition additional interest of a subsidiary		<b>(8,085)</b>	—
Advances to joint venture partners		<b>(23,067)</b>	—
Decrease (Increase) in pledged bank deposits		<b>4,837</b>	(4,765)
Repayment from related companies		—	9,620
Repayment from a director		—	21,256
Net cash used in investing activities		<b>(247,262)</b>	(136,375)

## Consolidated Cash Flow Statement (continued)

For the year ended 31 December, 2006

<i>Notes</i>	<b>2006</b> <b>RMB'000</b>	2005 RMB'000
Financing activities		
Interest paid	<b>(2,827)</b>	(9,088)
Bank loans raised	<b>223,862</b>	230,252
Repayment of bank loans	<b>(415,960)</b>	(146,355)
Repayment of other loans	—	(18,066)
Dividends paid	<b>(27,519)</b>	(241,789)
Capital contributions from minority owners of subsidiaries	<b>6,554</b>	869
Dividends paid to minority owners of subsidiaries	—	(18,384)
Capital contributions from equity holders of the Company	—	39,727
Proceeds from issue of shares	—	538,346
Payment of listing expense	—	(30,339)
Distribution during the Group Reorganisation	—	(40,303)
Repayment to related companies	—	(20,982)
Net cash (used in) from financing activities	<b>(215,890)</b>	283,888
Net (decrease) increase in cash and cash equivalents	<b>(227,332)</b>	379,395
Cash and cash equivalents at beginning of the year	<b>465,540</b>	86,380
Effect of foreign exchange rate changes	<b>(6,137)</b>	(235)
Cash and cash equivalents at the end of the year	<b>232,071</b>	465,540
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	<b>232,071</b>	465,540