

## Consolidated Cash Flow Statement

For the year ended December 31, 2006

	Notes	2006 RMB'000	2005 RMB'000
<b>OPERATING ACTIVITIES</b>			
Profit before taxation		<b>105,134</b>	278,665
Adjustments for:			
Impairment loss recognized in respect of trade and other receivables		<b>17,626</b>	5,630
Allowances for inventories		<b>11,404</b>	3,532
Amortization of intangible assets		<b>350</b>	225
Amortisation of prepaid lease payment		<b>3,277</b>	3,436
Depreciation of property, plant and equipment		<b>95,858</b>	87,474
Loss (gain) on disposal of property, plant and equipment		<b>2,161</b>	(26)
Interest expenses		<b>85,390</b>	111,540
Interest income		<b>(8,905)</b>	(7,487)
Share based payment expense		<b>15,486</b>	–
Adjustment of exchange reserve recognized in previous years		<b>793</b>	–
(Gain) loss on disposals of subsidiaries	32	<b>(8,838)</b>	1,380
Gain on disposals of available-for-sale investments		–	(305)
Goodwill impairment		<b>23,048</b>	–
Share of (profit) loss of associates		<b>(937)</b>	1,114
Discounts on acquisition of an additional interest in a subsidiary	31	<b>(10,279)</b>	(5,300)
Operating cash flows before movements in working capital		<b>331,568</b>	479,878
(Increase) decrease in inventories		<b>(9,097)</b>	10,364
Decrease (increase) in trade and other receivables		<b>68,604</b>	(273,209)
(Increase) decrease in amounts due from related companies		<b>(15,993)</b>	152,542
Decrease in trade, bills and other payables		<b>(98,713)</b>	(108,310)
(Decrease) increase in amounts due to related companies		<b>(35,225)</b>	22,908
Cash generated from operations		<b>241,144</b>	284,173
Income taxes paid		<b>(27,277)</b>	(31,774)
Income taxes refunded		<b>19,031</b>	8,549
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>232,898</b>	260,948

Consolidated Cash Flow Statement (cont'd)

For the year ended December 31, 2006

	Notes	2006 RMB'000	2005 RMB'000
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(41,123)	(194,462)
Increase in prepaid lease payment		(614)	(5,554)
Increase in investment properties		(32,901)	–
Investment in a jointly controlled entity		(1,803)	(811)
Investment in associates		(13,664)	(5,068)
Payment for acquisition of additional interests in subsidiaries	31	(49,877)	(1,321)
Decrease (increase) in pledged bank deposits		76,891	(927)
Purchase of intangible assets		(891)	(397)
Proceeds from disposals of property, plant and equipment		250	9,305
Interest received		8,905	7,487
Proceeds from sales of available-for-sales investments		–	2,405
Proceeds from sales of held for trading investments		–	3,505
Purchase of investments in securities		–	–
Disposal of subsidiaries	32	(5,672)	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(60,499)</b>	<b>(185,838)</b>
<b>FINANCING ACTIVITIES</b>			
Bank and other borrowings raised		2,301,375	3,068,370
Issue of shares		–	539,246
Repurchase of shares		(25,891)	–
Advances from related companies		8,000	41,311
Repayment of bank and other borrowings		(2,250,224)	(3,351,949)
Interest paid		(85,646)	(96,536)
Repayment to related companies		(2,000)	(78,221)
Transaction costs attributable to issue of new shares		–	(38,511)
Dividends paid to equity shareholders		(114,258)	–
Dividends paid to minority shareholders		(660)	–
Capital contribution from minority shareholders		5,600	–
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		<b>(163,704)</b>	<b>83,710</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>8,695</b>	<b>158,820</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>372,278</b>	<b>213,458</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash</b>		<b>380,973</b>	<b>372,278</b>