

# Consolidated Cash Flow Statement

For the Year Ended 31 December 2006

Note	2006 RMB'000	2005 RMB'000
<b>Operating activities</b>		
Profit before tax	127,054	67,457
Adjustments for:		
– Depreciation	30,483	23,536
– Amortisation of lease prepayments	837	837
– Interest income	(13,457)	(7,165)
– Loss on disposal of property, plant and equipment	1,448	1,717
– Finance costs	96,969	41,448
– Unrealised loss of derivative financial instruments	1,202	–
– Unrealised foreign exchange (gain)/loss	(11,389)	74
	<b>233,147</b>	127,904
<b>Operating profit before changes in working capital</b>		
Increase in inventories	(200,850)	(15,385)
Increase in trade and other receivables	(851,109)	(224,740)
Decrease/(Increase) in amounts due from/to related companies	177,664	(75,005)
Decrease in derivative financial instruments	–	684
Increase in trade and other payables	313,274	165,127
Increase in bank advances under discounted bills	546,967	25,269
	<b>219,093</b>	3,854
<b>Cash generated from operating activities</b>		
PRC income tax paid	(4,913)	–
	<b>214,180</b>	3,854
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(29,474)	(88,297)
Proceeds from disposal of property, plant and equipment	990	1,612
Interest received	12,047	5,532
Decrease in time deposits	–	10,000

The notes on pages 47 to 84 form part of these financial statements.

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For the Year Ended 31 December 2006

	Note	2006 RMB'000	2005 RMB'000
<b>Net cash used in investing activities</b>		<b>(16,437)</b>	(71,153)
<b>Cash flow from financing activities</b>			
Proceeds from capital injection from minority interests		–	22,346
Proceeds from interest-bearing loans and borrowings		<b>2,918,411</b>	1,064,110
Repayment of interest-bearing loans and borrowings		<b>(2,644,824)</b>	(657,699)
Finance costs paid		<b>(85,767)</b>	(41,581)
Increase in pledged deposits		<b>(266,506)</b>	(392,780)
Share issue expenses paid		<b>(10,651)</b>	–
<b>Net cash used in financing activities</b>		<b>(89,337)</b>	(5,604)
<b>Effect of foreign exchange rate changes on cash</b>		<b>(113)</b>	(35)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>108,293</b>	(72,938)
<b>Cash and cash equivalents at beginning of year</b>		<b>74,106</b>	147,044
<b>Cash and cash equivalents at end of year</b>	19	<b>182,399</b>	74,106

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