

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	2006 RMB'000	2005 RMB'000
Operating activities		
Profit before taxation	600,032	353,592
Adjustments for:		
Interest income	(28,448)	(9,253)
Interest expenses	627	7,627
Depreciation	48,179	31,374
Expenses charged to consolidated income statement in connection with the issue of shares	—	18,550
Fair value gain on foreign exchange linked notes	(860)	—
Operating lease rentals in respect of land use rights	594	692
Impairment loss on property, plant and equipment	413	—
Loss on disposal of property, plant and equipment	540	212
Allowance for bad and doubtful debts	3,726	396
Release of prepaid license rights	3,470	—
Effect of foreign exchange rate changes on inter-company balances	—	(1,155)
Operating cash flows before movements in working capital	628,273	402,035
Increase in prepaid license rights	(15,615)	—
Increase in inventories	(72,233)	(35,799)
Increase in trade and other receivables	(203,334)	(92,208)
Increase in trade and other payables	152,612	114,607
Cash from operations	489,703	388,635
Taxation paid	(28,038)	(21,059)
Net cash from operating activities	461,665	367,576
Investing activities		
Interest received	28,448	9,253
Proceeds from disposal of property, plant and equipment	1,016	1,396
Repayment from related companies	81	2,222
Purchase of property, plant and equipment	(307,394)	(149,637)
Purchase of foreign exchange linked notes	(78,428)	—
Deposits paid on acquisition of property, plant and equipment	(55,712)	(19,361)
Increase in restricted bank deposits	(8,147)	(14,660)
Advances made to a minority shareholder of a subsidiary	(7,807)	—
Prepaid rentals on land use rights	(699)	—
Net cash used in investing activities	(428,642)	(170,787)

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	2006	2005
	RMB'000	RMB'000
Financing activities		
Capital contributions from a minority shareholder of a subsidiary	16,048	—
Bank loans raised	10,000	15,000
Borrowings from (repayment to) related companies	9,229	(28,000)
Repayment of bank loans	(15,000)	(82,742)
Interest paid	(756)	(3,736)
Proceeds from issue of shares	—	782,380
Dividends paid	—	(103,301)
Expense paid in connection with the issue of shares	—	(47,993)
Consideration paid pursuant to the group reorganisation	—	(34,799)
Net cash from financing activities	19,521	496,809
Net increase in cash and cash equivalents	52,544	693,598
Cash and cash equivalents at 1st January	938,970	246,321
Effect of foreign exchange rate changes	(2,522)	(949)
Cash and cash equivalents at 31st December	988,992	938,970
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	988,992	938,970