

## Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 RMB'000	2005 RMB'000 (Restated)
<b>Operating activities</b>		
Profit/(loss) before income tax	27,607	(3,789,615)
Adjustments for:		
Share of results of associates	(3,590)	31,571
Dilution loss on share reform of an associate	16,317	–
Interest income	(5,238)	(29,443)
Interest expense	121,321	154,431
Depreciation of property, plant and equipment	248,283	383,854
Depreciation of investment properties	641	1,513
Amortisation of intangible assets	4,126	4,551
Amortisation of payments for leasehold land held for own use under operating leases	14,449	20,422
Impairment loss on investment in a deconsolidated subsidiary	–	11,000
Impairment loss on goodwill	–	39,195
Revaluation decrease of property, plant and equipment	25,159	269,660
Impairment loss on intangible assets	–	338,677
Impairment loss on payments for leasehold land held for own use under operating leases	–	18,207
Impairment loss on available-for-sale financial assets	–	7,249
(Gain)/loss on disposal of property, plant and equipment, net	(5,180)	100,673
Impairment loss on trade and other receivables	–	479,006
Reversal of impairment loss on trade and other receivables	(61,012)	–
Write down of inventories to net realisable value	42,700	292,976
Write off of inventories	–	15,787
Reversal of provision for sales rebates	(37,593)	–
Loss on write off of intangible assets	–	71
Gain on disposal of payments for leasehold land held for own use under operating leases	(38,597)	(12,083)
<b>Operating profit/(loss) before working capital changes</b>	<b>349,393</b>	<b>(1,662,298)</b>
Decrease in inventories	270,443	1,777,544
Decrease in trade and other receivables	396,716	772,754
Decrease in trade and other payables	(289,972)	(1,100,987)
Increase/(decrease) in trade deposits received	210,741	(569,093)
(Decrease)/increase in provisions	(39,921)	90,662
(Decrease)/increase in other liabilities	(13,352)	3,961
<b>Cash generated from/(used in) operations</b>	<b>884,048</b>	<b>(687,457)</b>
Interest received	5,238	29,443
Interest paid	(121,321)	(154,431)
Tax paid	(52)	(5,491)
<b>Net cash flows from/(used in) operating activities</b>	<b>767,913</b>	<b>(817,936)</b>

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	2006 RMB'000	2005 RMB'000 (Restated)
<b>Investing activities</b>		
Purchase of property, plant and equipment	(141,477)	(334,736)
Purchase of intangible assets	(1,175)	(2,100)
Proceeds on disposal of property, plant and equipment	88,372	29,989
(Increase)/decrease in pledged bank deposits	(145,443)	1,199,773
Proceeds on disposal of payments for leasehold land held for own use under operating leases	90,646	–
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(109,077)</b>	892,926
<b>Financing activities</b>		
Bank borrowings raised	1,520,864	2,262,171
Repayment of bank borrowings	(2,124,009)	(3,468,863)
(Repayment to)/advance from a shareholder	(110,000)	301,004
<b>Net cash flows used in financing activities</b>	<b>(713,145)</b>	(905,688)
<b>Net decrease in cash and cash equivalents</b>	<b>(54,309)</b>	(830,698)
<b>Cash and cash equivalents at beginning of the year</b>	<b>184,284</b>	1,017,534
<b>Decrease in cash and cash equivalents due to deconsolidation of a subsidiary (Note 18(iii))</b>	<b>–</b>	(1,307)
<b>Effect of foreign exchange rate changes</b>	<b>12,272</b>	(1,245)
<b>Cash and cash equivalents at end of year representing bank balances and cash</b>	<b>142,247</b>	184,284