

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006	2005
		RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		336,145	200,945
Adjustments for:			
Finance costs	7	18,826	17,202
Share of profits and losses of associates		(11,931)	(8,525)
Interest income from loans, bank balances and deposits	5	(34,420)	(1,695)
Interest income from over-subscription funds	5	(36,772)	-
Dividend income from available-for-sale investments	5	(1,269)	(35)
Depreciation	6	71,669	58,482
Recognition of prepaid land premiums/land lease payments	6	943	194
Amortisation of intangible assets	16	2,761	2,260
Gain on disposal of a subsidiary	5	-	(4,477)
Gain on disposal of an associate	5	-	(265)
Gain on assets contributed to an associate	5	-	(2,599)
Gain on disposal of available-for-sale investments	5	-	(2,062)
Gain on disposal of financial investments	5	(1,715)	-
Fair value gains, net: derivatives financial instruments	5	(1,615)	-
Foreign exchange differences, net	5	29,949	-
(Gain)/loss on disposal of items of property, plant and equipment, net	5	(3,106)	806
(Gain)/loss from debt restructuring, net	5,6	(28,275)	160
Impairment of property, plant and equipment	6	93	528
Impairment of investments in associates	6	-	267
Impairment/(reversal of impairment) of trade receivables	6	(834)	1,175
Write-down/(reversal of write-down) of inventories to net realisable value	6	799	(164)
Excess over the cost of a business combination	5	-	(3,530)
		341,248	258,667
Increase in inventories		(78,163)	(142,813)
Increase in trade receivables, bills receivable, prepayments, deposits and other receivables		(205,961)	(103,408)
(Increase)/decrease in long-term prepayments		(1,381)	454
Increase in trade payables, bills payable, other payables and accruals		57,650	145,958
Increase in other long-term payables		3,034	990
Decrease in government grants		(3,232)	(3,232)
Cash generated from operations		113,195	156,616
Taxes paid		(77,473)	(34,006)
Net cash inflow from operating activities		35,722	122,610

Consolidated Cash Flow Statement *(Continued)*

Year ended 31 December 2006

	Notes	2006 RMB'000	2005 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		34,281	1,695
Dividend received from available-for-sale investments	5	1,269	35
Dividend received from associates		7,309	-
Purchases of items of property, plant and equipment		(228,220)	(289,729)
Proceeds from disposal of items of property, plant and equipment		6,632	32,715
Prepaid land premiums/land lease payments		(17,784)	(18,864)
Additions to intangible assets		(1,170)	(1,516)
Acquisition of a subsidiary	35	-	(31,448)
Disposal of a subsidiary	36	-	12,218
Acquisition of an equity interest in an associate		-	(600)
Acquisition of financial investments		(181,645)	-
Proceeds from disposal of financial investments		183,360	-
Loan to a jointly-controlled entity		-	(14,000)
Increase in restricted deposits		(645,464)	(6,042)
Increase in non-restricted deposits with original maturity of over three months when acquired		(162,299)	(6,000)
Net cash outflow from investing activities		(1,003,731)	(321,536)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in issued/paid-up capital		1,500,480	304,000
Share issue expenses		(118,617)	-
Capital injection by minority interests		-	53,602
New bank and other borrowings		370,720	314,690
Interest income from over-subscription funds		36,772	-
Repayments of bank and other borrowings		(566,617)	(397,070)
Dividend paid to minority interests		(6,000)	(1,933)
Dividend paid by subsidiaries and a jointly-controlled entity		-	(11,219)
Interest paid		(18,826)	(16,195)
Net cash inflow from financing activities		1,197,912	245,875

Consolidated Cash Flow Statement *(Continued)*

Year ended 31 December 2006

	Notes	2006	2005
		<i>RMB'000</i>	<i>RMB'000</i>
NET INCREASE IN CASH AND CASH EQUIVALENTS		229,903	46,949
Cash and cash equivalents at beginning of year		159,065	112,116
Effect of foreign exchange rate changes, net	5	(29,949)	-
CASH AND CASH EQUIVALENTS AT END OF YEAR		359,019	159,065
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents in the consolidated balance sheet	28	527,318	165,065
Non-restricted deposits with original maturity of three months or more when acquired		(168,299)	(6,000)
Cash and bank balances		359,019	159,065