

C Consolidated Cash Flow Statement

Year ended 31 December 2006

	Note	2006 RMB'000	2005 RMB'000
Cash flow from operating activities			
Profit before income tax and minority interests		107,574	122,124
Adjustments for:			
Interest expenses		23,420	22,609
Interest income		(5,049)	(1,852)
Loss/(gain) on disposal of property, plant and equipment		(17)	22
Depreciation of property, plant and equipment		47,713	42,852
Amortisation of prepaid land lease payments		305	305
Reversal of impairment for trade receivable		(531)	(1,103)
Reversal of provision for inventories		(1,700)	—
Equity-settled share option expense	29	2,295	1,448
		174,010	186,405
Increase in inventories		(126,188)	(39,174)
Increase in trade and notes receivables		(60,406)	(3,217)
Increase in prepayments, deposits and other receivables		(5,574)	(73,379)
(Decrease)/increase in trade and notes payables		(1,980)	115,823
Increase/(decrease) in accrued liabilities and other payables		24,117	(20,555)
Decrease in amounts due to a shareholder		—	(427)
Cash generated from operations		3,979	165,476
Income tax paid		(13,353)	—
Net cash (outflow)/inflow from operating activities		(9,374)	165,476
Cash flows from investing activities			
Interest income from bank and time deposits balances		5,049	1,852
Proceeds from disposal of property, plant and equipment		63	624
Acquisition of property, plant and equipment and construction in progress		(119,917)	(131,767)
Increase in prepayments		(171,730)	—
Decrease/(Increase) in pledged time deposits		24,132	(103,217)
Net cash outflow from investing activities		(262,403)	(232,508)

to be continued/

The accompanying notes on page 54 to 116 form an integral part of the financial statements.

	Notes	2006 RMB'000	2005 RMB'000
Cash flows from financing activities			
New bank loans and other borrowings		485,162	209,372
Repayment of bank loans and other borrowings		(257,684)	(313,405)
Dividends paid		(36,905)	(47,405)
Proceeds from issue of shares		170,236	251,731
Interest paid		(21,628)	(22,871)
Net cash inflow from financing activities		339,181	77,422
Net increase in cash and cash equivalents		67,404	10,390
Cash and cash equivalents at beginning of year		15,232	5,159
Effect of foreign exchange rate changes, net		(1,859)	(317)
Cash and cash equivalents at end of year		80,777	15,232
Analysis of balances of cash and cash equivalents			
Cash and bank balances	22	78,702	15,232
Unrestricted time deposits with original maturity of less than three months	22	2,075	—
		80,777	15,232

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