

Consolidated Cash Flow Statement

For the year ended 31 December 2006

(Expressed in Renminbi)

Note	2006 RMB'000	2005 RMB'000
Cash flows from operating activities		
Profit for the year	488,047	358,997
Adjustments for:		
– Depreciation	45,495	42,991
– Amortisation of lease prepayments	1,234	159
– Impairment loss on trade and other receivables	1,038	1,878
– Write down of inventories	–	2,688
– Interest income	(22,480)	(23,773)
– Finance expenses	13,962	57,664
– Share of loss of an equity accounted investee	1,251	507
– Loss on disposal of property, plant and equipment	587	396
– Recognition of negative goodwill	(39,996)	–
– Equity-settled share-based payment transactions	3,498	–
– Unrealised foreign exchange gain	(5,428)	–
– Income tax expense	5,622	7,685
Operating profit before change in working capital	492,830	449,192
Increase in inventories	(88,784)	(119,752)
Change in trade and other receivables	(18,138)	30,532
Change in trade and other payables	27,837	(37,471)
Cash generated from operating activities	413,745	322,501
Finance expenses paid	(1,483)	(24,690)
Income tax paid	(1,664)	(24,535)
Net cash from operating activities	410,598	273,276

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For the year ended 31 December 2006

(Expressed in Renminbi)

	Note	2006 RMB'000	2005 RMB'000
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		2,001	594
Interest received		22,480	23,773
Acquisition of property, plant and equipment		(326,054)	(127,399)
Payments for lease prepayments		(83,349)	–
Investment in an equity accounted investee		–	(5,762)
Changes in pledged deposits		21,546	(19,216)
Changes in advances to related parties		–	1,138,226
Acquisitions of Predecessor Entities, net of cash acquired		(184,728)	–
Prepayment for business acquisitions	22	(70,793)	–
Acquisitions of subsidiaries, net of cash acquired	7	(107,884)	–
Net cash (used in)/from investing activities		(726,781)	1,010,216
Cash flows from financing activities			
Capital element of finance lease rentals paid		(649)	(848)
Proceeds from government loans		–	600
Changes in advances from related parties		–	(1,471,697)
Proceeds from bank loans		–	597,000
Proceeds from capital contribution		–	1,619,974
Repayments of government loans		–	(10,000)
Repayments of bank loans		(20,000)	(900,000)
Interest element of finance lease rentals paid		(12,479)	(13,537)
Dividend paid		(160,195)	–
Net cash used in financing activities		(193,323)	(178,508)
Net (decrease)/increase in cash and cash equivalents		(509,506)	1,104,984
Cash and cash equivalents at 1 January		1,355,536	250,566
Effect of exchange rate fluctuations on cash held		(2,074)	(14)
Cash and cash equivalents at 31 December	27	843,956	1,355,536

The notes on pages 51 to 124 are an integral part of these financial statements.