

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 RMB'000	2005 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	345,347	320,596
Adjustments for:		
Depreciation and amortisation	152,078	125,930
Interest income	(26,823)	(18,203)
Gain on disposal of property, plant and equipment	—	(170)
Impairment loss recognised on trade and other receivables	4,833	—
Finance costs	88,614	84,806
Expenditure on research and development	15,723	26,345
Loss on fair value adjustment on the convertible bonds	158,597	179,599
Exchange gain arising on the convertible bonds	(20,618)	—
Loss on dilution of interest in a subsidiary	—	824
	<hr/>	<hr/>
Operating cash flows before movements in working capital	717,751	719,727
Decrease (increase) in inventories	77,013	(155,399)
Increase in trade and other receivables	(592,396)	(227,881)
Increase in trade and other payables	45,606	19,302
Increase (decrease) in amounts due to directors	140	(1,628)
Increase (decrease) in amount due to a related company	607	(3,127)
	<hr/>	<hr/>
Cash generated from operations	248,721	350,994
Income tax paid	(7,598)	(36,763)
	<hr/>	<hr/>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>241,123</b>	<b>314,231</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of and deposit paid for property, plant and equipment	(407,606)	(573,130)
Expenditure on research and development	(15,723)	(26,345)
Purchase of land use rights	(123)	(45,254)
Interest received	26,823	18,203
Repayment from a minority shareholder	958	7,670
Loans to third parties	—	(20,000)
Repayment of loans by third parties	—	20,000
Acquisition of additions interest in subsidiaries	—	(98,699)
Proceeds on disposal of property, plant and equipment	—	513
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(395,671)</b>	<b>(717,042)</b>

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	<b>2006</b>	2005
	<b>RMB'000</b>	RMB'000
<b>FINANCING ACTIVITIES</b>		
New bank loans raised	<b>1,917,510</b>	1,571,060
Proceeds from initial public offering	<b>1,195,729</b>	—
Issue of the convertible bonds	<b>31,706</b>	414,538
Receipt of government grants	<b>7,500</b>	7,500
Repayment of bank loans	<b>(1,665,110)</b>	(1,467,260)
Transaction costs attributable to issue of shares	<b>(82,454)</b>	—
Interest paid	<b>(88,614)</b>	(84,806)
(Repayment to) advance from a minority shareholder	<b>(45,412)</b>	11,970
Dividend paid	<b>(20,827)</b>	(12,500)
(Repayment to) advance from a related party	<b>(15,000)</b>	15,000
Interest paid on the convertible bonds	<b>(3,910)</b>	—
Transaction cost in respect of issuance of the convertible bonds	<b>(629)</b>	(9,999)
Contribution from shareholders	—	212,000
Capital contribution from minority interests	—	1,250
Issue of shares	—	1
Settlement of contribution payable to shareholders	—	(250,510)
Repayment to directors	—	(3,070)
	<hr/>	<hr/>
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>1,230,489</b>	405,174
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,075,941</b>	2,363
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>294,301</b>	291,938
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER,</b> represented by bank balances and cash	<b>1,370,242</b>	294,301
	<hr/> <hr/>	<hr/> <hr/>