

# Consolidated Cash Flow Statement

For the Year ended 31 December 2006

(All amounts in Renminbi thousands unless otherwise stated)

	Note	2006	2005
<b>Cash flows from operating activities</b>			
Cash used in operation	30	(11,966)	(6,379)
Income tax paid		(8,895)	(6,974)
Interest paid		(7,168)	(5,628)
Net cash used in operating activities		(28,029)	(18,981)
<b>Cash flows from Investing activities</b>			
Purchase of property, plant and equipment		(28,965)	(13,443)
Purchase of land use right		(4,993)	—
Purchase of intangible assets		(1,344)	—
Payment of cash consideration of acquiring a subsidiary		—	(11,732)
Acquisition of associated companies		—	(350)
Acquisition of available-for-sale financial assets		(500)	—
Disposal of available-for-sale financial assets		667	—
Interest received		1,580	1,063
Net cash used in investing activities		(33,555)	(24,462)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares in connection with the listing		—	151,050
Proceeds from placement of shares	15	122,547	12,402
Share issuance costs	15	(3,589)	(22,989)
Repurchase of shares of the Company	15	(9,396)	—
Proceeds from borrowings		77,330	136,160
Repayments of borrowings		(115,681)	(140,000)
Dividend paid to the shareholders of the Company	29	(21,108)	(16,640)
Net cash generated from financing activities		50,103	119,983
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(11,481)</b>	<b>76,540</b>
Cash and cash equivalents at beginning of the year		112,841	38,951
Exchange loss on cash and cash equivalents		(526)	(2,650)
<b>Cash and cash equivalents at end of the year</b>	14	<b>100,834</b>	<b>112,841</b>

The notes on pages 35 to 71 are an integral part of these consolidated financial statements.