

Consolidated Cash Flow Statement

For the Year ended 31 December 2006

(All amounts in Renminbi thousands unless otherwise stated)

	Note	2006	2005
Cash flows from operating activities			
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)
Cash flows from Investing activities			
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)
Cash flows from financing activities			
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
Net (decrease)/increase in cash and cash equivalents		(11,481)	76,540
Cash and cash equivalents at beginning of the year		112,841	38,951
Exchange loss on cash and cash equivalents		(526)	(2,650)
Cash and cash equivalents at end of the year	14	100,834	112,841

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