## Consolidated Cash Flow Statement

For the year ended 31 December 2005

Profit before taxation   342,452   280,809   280,809   Adjustments for: Interest income   (17,817)   (790)		2005	2004
Profit before taxation			
Profit before taxation			
Adjustments for: Interest income Depreciation of property, plant and equipment Depreciation of property, plant and equipment Operating lease rentals in respect of land use rights Gain) loss on disposal of property, plant and equipment Operating cash flows before movements in working capital (Increase) decrease in inventories Increase) decrease in inventories Increase in trade and other receivables Decrease (increase) in bills receivable Decrease (increase) in industry of the property of the post of the property of the pr	. •	242.452	280 800
Interest income         (17,817)         (790)           Depreciation of property, plant and equipment         25,792         22,053           Operating lease rentals in respect of land use rights         328         231           (Gain) loss on disposal of property, plant and equipment         (3)         494           Operating cash flows before movements in working capital (Increase) decrease in inventories         (17,286)         28,148           Increase) decrease in inventories         (16,12)         (13,169)           Decrease (increase) in illist receivable         52,656         (129,647)           Decrease (increase) in inducta the from a related company         203         (11,51)           Increase in government grants received         5,400         -           Decrease in amounts due to related companies         1,831         (908)           Cash generated from operations         463,689         244,475           PRC Enterprise Income Tax paid         (6,043)         (13,928)           Net cash from operating activities         457,646         230,547           Investing activities         457,646         230,547           Investing activities         457,646         230,547           Proceeds from disposal of property, plant and equipment         (73,054)         (22,364)		342,432	200,009
Depreciation of property, plant and equipment Operating lease rentals in respect of land use rights (Gain) loss on disposal of property, plant and equipment (3) 494	,	(17 917)	(790)
Operating lease rentals in respect of land use rights (Cain) loss on disposal of property, plant and equipment (3) 494			
(Gain) loss on disposal of property, plant and equipment         (3)         494           Operating cash flows before movements in working capital (Increase) decrease in inventories         350,752         302,797           (Increase) decrease in inventories         (17,286)         28,148           Increase in trade and other receivables         (1,612)         (13,169)           Decrease (increase) in bills receivable         52,656         (129,647)           Decrease (increase) in amount due from a related company         203         (115)           Increase in trade and other payables         75,407         57,369           Increase in government grants received         5,400         -           Decrease in amounts due to related companies         (1,831)         (908)           Cash generated from operations         463,689         244,475           PRC Enterprise Income Tax paid         (6,043)         (13,928)           Net cash from operating activities         457,646         230,547           Investing activities         457,646         230,547           Investing activities         (80,846)         -           Purchase of property, plant and equipment         (73,054)         (22,364)           Interest received         17,817         790           Proceeds from disposal of property, p			
(Increase) decrease in inventories         (17,286)         28,148           Increase in trade and other receivables         (1,612)         (13,169)           Decrease (increase) in bills receivable         52,656         (129,647)           Decrease (increase) in amount due from a related company         203         (115)           Increase in trade and other payables         75,407         57,369           Increase in government grants received         5,400         -           Decrease in amounts due to related companies         (1,831)         (908)           Cash generated from operations         463,689         244,475           PRC Enterprise Income Tax paid         (6,043)         (13,928)           Net cash from operating activities         457,646         230,547           Investing activities         457,646         230,547           Investing activities         (80,846)         -           Acquisition of additional interest in a subsidiary         (80,846)         -           Purchase of property, plant and equipment         (73,054)         (22,364)           Interest received         17,817         790           Proceeds from disposal of property, plant and equipment         110         -           Net cash used in investing activities         (82,700)         (32,0			
(Increase) decrease in inventories         (17,286)         28,148           Increase in trade and other receivables         (1,612)         (13,169)           Decrease (increase) in bills receivable         52,656         (129,647)           Decrease (increase) in amount due from a related company         203         (115)           Increase in trade and other payables         75,407         57,369           Increase in government grants received         5,400         -           Decrease in amounts due to related companies         (1,831)         (908)           Cash generated from operations         463,689         244,475           PRC Enterprise Income Tax paid         (6,043)         (13,928)           Net cash from operating activities         457,646         230,547           Investing activities         457,646         230,547           Investing activities         (80,846)         -           Acquisition of additional interest in a subsidiary         (80,846)         -           Purchase of property, plant and equipment         (73,054)         (22,364)           Interest received         17,817         790           Proceeds from disposal of property, plant and equipment         110         -           Net cash used in investing activities         (82,700)         (32,0	Operating cash flows before movements in working capital	350 752	302 797
Increase in trade and other receivables   11,612   (13,169)     Decrease (increase) in bills receivable   52,656   (129,647)     Decrease (increase) in amount due from a related company   203   (115)     Increase in trade and other payables   75,407   57,369     Increase in government grants received   5,400   -   Decrease in amounts due to related companies   (1,831)   (908)     Cash generated from operations   463,689   244,475     PRC Enterprise Income Tax paid   (6,043)   (13,928)     Net cash from operating activities   457,646   230,547     Investing activities   457,646   230,547     Investing activities   (80,846)   -   Purchase of property, plant and equipment   (73,054)   (22,364)     Interest received   17,817   790     Proceeds from disposal of property, plant and equipment   110   -   Net cash used in investing activities   (135,973)   (21,574)     Financing activities   (82,700)   (32,044)     Repurchase of shares   (6,714)   -   Dividend paid   (82,700)   (32,044)     Repurchase of shares   (10,178)   -   Dividend paid to minority shareholders   1,006,788     Net cash advanced from a shareholder   1,47,358     Net cash advanced from a shareholder   - (479,851)     Net cash (used in) from financing activities   (99,592)   (642,251)     Net increase in cash and cash equivalents   222,081   851,224     Cash and cash equivalents at the beginning of the year   1,146,592   294,989     Effect of exchange rate changes   (21,068)   379			
Decrease (increase) in bills receivable         52,656 (129,647)           Decrease (increase) in amount due from a related company         203 (115)           Increase in trade and other payables         75,407 57,369           Increase in government grants received         5,400 —           Decrease in amounts due to related companies         (1,831) (908)           Cash generated from operations         463,689 (6,043) (13,928)           Net cash from operating activities         457,646 (6,043) (13,928)           Net cash from operating activities         457,646 (230,547)           Investing activities         457,646 (23,054) (22,364)           Acquisition of additional interest in a subsidiary         (80,846) —           Purchase of property, plant and equipment         (73,054) (22,364)           Interest received         17,817 (790)           Proceeds from disposal of property, plant and equipment         110 —           Net cash used in investing activities         (135,973) (21,574)           Financing activities         (82,700) (32,044)           Dividend paid         (82,700) (32,044)           Repurchase of shares         (10,178) —           Dividend paid to minority shareholders         (6,714) —           Proceeds from new issue of shares less issue expenses         —         1,006,788           Net cash adv			
Decrease (increase) in amount due from a related company Increase in trade and other payables Increase in trade and other payables Increase in government grants received 5,400 — Decrease in amounts due to related companies (1,831) (908)  Cash generated from operations 463,689 244,475 PRC Enterprise Income Tax paid (6,043) (13,928)  Net cash from operating activities 457,646 230,547  Investing activities Acquisition of additional interest in a subsidiary (80,846) — Purchase of property, plant and equipment (73,054) (22,364) Interest received 17,817 790  Proceeds from disposal of property, plant and equipment 110 — Net cash used in investing activities (135,973) (21,574)  Financing activities Dividend paid (82,700) (32,044) Repurchase of shares Dividend paid (80,700) (32,044) Repurchase of shares less issue expenses (10,178) — Proceeds from new issue of shares less issue expenses — 1,006,788 Net cash advanced from a shareholder — 147,358 Net cash advanced from a shareholder — 147,358 Net cash advanced from a shareholder — 147,358 Net cash (used in) from financing activities (99,592) 642,251  Net increase in cash and cash equivalents 222,081 851,224 Cash and cash equivalents at the beginning of the year (1,146,592 294,989) Effect of exchange rate changes			
Increase in trade and other payables Increase in government grants received Decrease in amounts due to related companies  Cash generated from operations PRC Enterprise Income Tax paid  Net cash from operating activities  Net cash from operating activities  Investing activities Acquisition of additional interest in a subsidiary Purchase of property, plant and equipment Interest received I			
Increase in government grants received Decrease in amounts due to related companies  Cash generated from operations 463,689 244,475 PRC Enterprise Income Tax paid  Net cash from operating activities  Acquisition of additional interest in a subsidiary Purchase of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Proceeds from disposal of property, plant and equipment Net cash used in investing activities  Financing activities Dividend paid Repurchase of shares Dividend paid to minority shareholders Proceeds from new issue of shares less issue expenses Net cash advanced from a shareholder Proceeds from a shareholder Net decrease in amounts due to related companies  Net cash (used in) from financing activities  Net cash (used in) from financing activities  Net cash advanced from a shareholder Proceeds from cash advanced from a shareholder Proceeds from from financing activities Proceeds from from from financing activities Proceeds from from from from from from from from	• •	75,407	
Decrease in amounts due to related companies(1,831)(908)Cash generated from operations463,689244,475PRC Enterprise Income Tax paid(6,043)(13,928)Net cash from operating activities457,646230,547Investing activities80,846)-Acquisition of additional interest in a subsidiary(80,846)-Purchase of property, plant and equipment(73,054)(22,364)Interest received17,817790Proceeds from disposal of property, plant and equipment110-Net cash used in investing activities(135,973)(21,574)Financing activities82,700)(32,044)Repurchase of shares(10,178)-Dividend paid(82,700)(32,044)Repurchase of shares(6,714)-Dividend paid to minority shareholders-1,006,788Net cash advanced from a shareholder-147,358Net cash advanced from a shareholder-147,358Net decrease in amounts due to related companies-(479,851)Net cash (used in) from financing activities(99,592)642,251Net increase in cash and cash equivalents222,081851,224Cash and cash equivalents at the beginning of the year1,146,592294,989Effect of exchange rate changes(21,068)379			
PRC Enterprise Income Tax paid  Net cash from operating activities  Acquisition of additional interest in a subsidiary Purchase of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received I			(908)
PRC Enterprise Income Tax paid  Net cash from operating activities  Acquisition of additional interest in a subsidiary Purchase of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Interest received I	Cash generated from operations	463,689	244,475
Investing activities Acquisition of additional interest in a subsidiary Purchase of property, plant and equipment (73,054) Purchase of property, plant and equipment (73,054) Proceeds from disposal of property, plant and equipment Proceeds from disposal of property, plant and equipment Proceeds from disposal of property, plant and equipment  Financing activities Dividend paid Repurchase of shares Dividend paid (82,700) Proceeds from new issue of shares less issue expenses Proceeds from new issue of shares less issue expenses Proceeds from new issue of shares less issue expenses Proceeds from a shareholder Proceeds in amounts due to related companies Pet decrease in amounts due to related companies Pet decrease in cash and cash equivalents Pet cash (used in) from financing activities Pet cash and cash equivalents at the beginning of the year Proceeds from cash and cash equivalents at the beginning of the year Proceeds from cash and cash equivalents at the end of the year,		(6,043)	
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Acquisition of additional interest in a subsidiary Purchase of property, plant and equipment Interest received Proceeds from disposal of property, plant and equipment Proceeds from disposal of property, plant and equipment Into Proceeds from disposal of property, plant and equipment Into Proceeds from disposal of property, plant and equipment Into Proceeds from disposal of property, plant and equipment Into Proceeds from disposal of property, plant and equipment Into Proceeds from paid Repurchase of shares Into Into Into Into Into Into Into Into	Investing activities		
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Interest received Proceeds from disposal of property, plant and equipment 110 —  Net cash used in investing activities (135,973) (21,574)  Financing activities  Dividend paid (82,700) (32,044)  Repurchase of shares (10,178) —  Dividend paid to minority shareholders (6,714) —  Proceeds from new issue of shares less issue expenses — 1,006,788  Net cash advanced from a shareholder — 147,358  Net decrease in amounts due to related companies — (479,851)  Net cash (used in) from financing activities (99,592) 642,251  Net increase in cash and cash equivalents 222,081 851,224  Cash and cash equivalents at the beginning of the year (21,068) 379  Cash and cash equivalents at the end of the year,	·		(22,364)
Net cash used in investing activities  Financing activities  Dividend paid  Repurchase of shares  Dividend paid to minority shareholders  Proceeds from new issue of shares less issue expenses  Net cash advanced from a shareholder  Net decrease in amounts due to related companies  Net cash (used in) from financing activities  Net increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the year  Cash and cash equivalents at the end of the year,	,		790
Financing activities  Dividend paid  Repurchase of shares  Dividend paid to minority shareholders  Proceeds from new issue of shares less issue expenses  Net cash advanced from a shareholder  Net decrease in amounts due to related companies  Net cash (used in) from financing activities  Net increase in cash and cash equivalents  Cash and cash equivalents at the beginning of the year  Cash and cash equivalents at the end of the year,	Proceeds from disposal of property, plant and equipment	110	_
Dividend paid Repurchase of shares Dividend paid to minority shareholders Proceeds from new issue of shares less issue expenses Net cash advanced from a shareholder Net decrease in amounts due to related companies  Net cash (used in) from financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  Cash and cash equivalents at the end of the year,  Cash and cash equivalents at the end of the year,	Net cash used in investing activities	(135,973)	(21,574)
Dividend paid Repurchase of shares Dividend paid to minority shareholders Proceeds from new issue of shares less issue expenses Net cash advanced from a shareholder Net decrease in amounts due to related companies  Net cash (used in) from financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  Cash and cash equivalents at the end of the year,  Cash and cash equivalents at the end of the year,	Financing activities		
Repurchase of shares Dividend paid to minority shareholders Proceeds from new issue of shares less issue expenses Net cash advanced from a shareholder Net decrease in amounts due to related companies  Net cash (used in) from financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  Effect of exchange rate changes  (10,178)  (6,714)  - 1,006,788  (479,851)  (479,851)  (99,592)  642,251  851,224  1,146,592 294,989  Effect of exchange rate changes  (21,068)  379		(82,700)	(32,044)
Dividend paid to minority shareholders Proceeds from new issue of shares less issue expenses Net cash advanced from a shareholder Net decrease in amounts due to related companies  Net cash (used in) from financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  Effect of exchange rate changes  (6,714)  - 1,006,788 - 1,006,788  (479,851)  (479,851)  (99,592)  642,251  851,224  1,146,592 294,989  Effect of exchange rate changes  (21,068)  379	·		
Proceeds from new issue of shares less issue expenses  Net cash advanced from a shareholder  Net decrease in amounts due to related companies  Net cash (used in) from financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  Effect of exchange rate changes  1,006,788  1,47,358  1,47,358  1,47,358  1,47,358  1,47,358  222,081  1,146,592  294,989  294,989  294,989  294,989  294,989			_
Net cash advanced from a shareholder  Net decrease in amounts due to related companies  Net cash (used in) from financing activities  Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year  Effect of exchange rate changes  Cash and cash equivalents at the end of the year,		_	1,006,788
Net cash (used in) from financing activities (99,592) 642,251  Net increase in cash and cash equivalents 222,081 851,224  Cash and cash equivalents at the beginning of the year 1,146,592 294,989  Effect of exchange rate changes (21,068) 379  Cash and cash equivalents at the end of the year,	Net cash advanced from a shareholder	_	147,358
Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the year Effect of exchange rate changes  Cash and cash equivalents at the end of the year,  Cash and cash equivalents at the end of the year,	Net decrease in amounts due to related companies	-	(479,851)
Cash and cash equivalents at the beginning of the year  Effect of exchange rate changes  Cash and cash equivalents at the end of the year,  1,146,592 294,989 294,989 379	Net cash (used in) from financing activities	(99,592)	642,251
Cash and cash equivalents at the beginning of the year  Effect of exchange rate changes  Cash and cash equivalents at the end of the year,  1,146,592 294,989 294,989 379	Net increase in cash and cash equivalents	222,081	851,224
Effect of exchange rate changes (21,068) 379  Cash and cash equivalents at the end of the year,	·		
	Cash and cash equivalents at the end of the year,		
	representing bank balances and cash	1,347,605	1,146,592