

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	<i>Notes</i>	2005 RMB'000	2004 RMB'000
OPERATING ACTIVITIES			
Profit before taxation		265,822	213,904
Adjustments for:			
Discount of acquisition	25	(7,415)	–
Interest income		(4,812)	(1,433)
Interest expense		30,757	20,890
Allowance for bad and doubtful debts		91	177
Write down of inventory		409	–
Loss on disposal of property, plant and equipment		2,584	247
Depreciation		26,357	18,639
Amortisation of lease land premium		1,038	908
Operating cash flows before movements in working capital		314,831	253,332
(Increase) in inventories		(50,011)	(160,911)
Decrease (increase) in trade receivables, bill receivables and other receivables		23,143	(73,993)
(Increase) decrease in amount due from a director		1,829	(1,829)
Decrease in amounts due from related parties		3,455	62,046
(Decrease) increase in trade, bills and other payables		(109,629)	143,705
Increase (decrease) in provisions		13,245	990
(Decrease) in amounts due to directors		–	(78,581)
(Decrease) Increase in amounts due to related parties		(21,445)	9,307
Cash generated from operations		175,418	154,066
Interest received		4,812	1,433
PRC income tax paid		(75,337)	(50,292)
NET CASH FROM OPERATING ACTIVITIES		104,893	105,207
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(123,205)	(96,803)
Payment for lease premium for land		(69,820)	(549)
Acquisition of subsidiaries	25	(36,369)	(1,500)
Proceeds on disposal of property, plant and equipment		1,678	–
Decrease (increase) in pledged bank deposits		20,702	(16,710)
Repayment of loan receivable		7,500	–
NET CASH USED IN INVESTING ACTIVITIES		(199,514)	(115,562)

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 RMB'000	2004 RMB'000
FINANCING ACTIVITIES		
New bank borrowings raised	532,920	576,000
Contribution from a minority shareholder of subsidiary	944	–
Proceeds from issue of shares	501,616	91,442
Payment of listing expenses	(29,966)	–
Dividends paid	(67,684)	(45,435)
Interest paid	(30,603)	(20,890)
Repayment of bank borrowings	(563,500)	(461,900)
NET CASH FROM FINANCING ACTIVITIES	343,727	139,217
NET INCREASE IN CASH AND CASH EQUIVALENTS	249,106	128,862
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	158,908	30,046
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCE AND CASH	408,014	158,908