

# Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	Year ended 31 December 2005 RMB'000	Nine-month period ended 31 December 2004 RMB'000 (Restated) (note 1)
<b>Cash flows from operating activities</b>			
Profit before tax from continuing operations		868,764	625,155
Profit before tax from the discontinued operation		332	–
Adjustments for:			
Finance income	6	(70,305)	(24,401)
Finance costs	6	–	2,200
Depreciation	5	52,381	28,260
Loss on disposal of property, plant and equipment	5	62	1,751
Loss on disposal of subsidiaries	5	6,960	–
Fair value adjustment to investment properties	11	100	(596)
Excess over the cost of the business combination	5,29(b)	(6,415)	–
Amortisation of intangible assets	5	8	18
		<u>851,887</u>	<u>632,387</u>
<b>Operating profit before working capital changes</b>		<b>851,887</b>	<b>632,387</b>
(Increase)/decrease in Hong Kong listed investments, at fair value		(10)	1
Decrease in margin deposits with brokers and financial institutions		–	68,182
Increase in inventories		(1,591,261)	(277,811)
Decrease in bills receivable		290	619
(Increase)/decrease in trade receivables		9,415	(4,925)
Increase in prepayments, deposits and other receivables		(279,620)	(100,022)
(Increase)/decrease in amounts due from related parties		184,354	(218,909)
(Increase)/decrease in client trust bank balances		10,947	(1,136)
Increase in pledged deposits		(2,231,805)	(94,109)
Increase in trade and bills payables		3,617,115	665,024
Increase in customers' deposits, other payables and accruals		218,614	15,566
Decrease in amounts due to a related party		–	(92,182)
		<u>789,926</u>	<u>592,685</u>
<b>Cash generated from operations</b>		<b>789,926</b>	<b>592,685</b>
Interest received		70,305	24,401
Interest paid		–	(2,200)
Dividends paid		(265,368)	–
Hong Kong profits tax paid		(6,139)	–
PRC income tax paid		(65,932)	(23,425)
		<u>522,792</u>	<u>591,461</u>
<b>Net cash inflow from operating activities</b>		<b>522,792</b>	<b>591,461</b>

# Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	Year ended 31 December 2005 RMB'000	Nine-month period ended 31 December 2004 RMB'000 (Restated) (note 1)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(549,232)	(53,887)
Proceeds from disposal of property, plant and equipment		2,710	–
Proceeds from disposal of other long term investments		–	131
Acquisition of subsidiaries	29	(247,500)	(477)
Disposal of subsidiaries, net	30	(107,363)	–
Increase in other financial assets	19	(161,000)	–
Decrease in a liability directly associated with assets classified as held for sale		<u>(30,000)</u>	<u>–</u>
<b>Net cash outflow from investing activities</b>		<u>(1,092,385)</u>	<u>(54,233)</u>
<b>Net cash (outflow)/inflow before financing activities</b>		<b>(569,593)</b>	<b>537,228</b>
<b>Cash flows from financing activities</b>			
Share issue costs		–	(16,352)
Decrease in amounts due from related parties		–	1,088,542
Repayment of a bank loan		–	(10,000)
Distribution to the owner		<u>–</u>	<u>(297,848)</u>
<b>Net cash inflow from financing activities</b>		<u>–</u>	<u>764,342</u>
Net increase/(decrease) in cash and cash equivalents		<u>(569,593)</u>	<u>1,301,570</u>
<b>Cash and cash equivalents at beginning of year/period</b>		<b>1,659,094</b>	<b>357,524</b>
Net foreign exchange difference		<u>(10,154)</u>	<u>–</u>
<b>Cash and cash equivalents at end of year/period</b>		<u><u>1,079,347</u></u>	<u><u>1,659,094</u></u>