

## Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 RMB'000	2004 RMB'000
<b>Operating activities</b>		
Profit before taxation	226,793	178,849
Adjustments for:		
– Write back of deficit on revaluation of property, plant and equipment	(1,991)	–
– Depreciation	31,057	28,766
– Finance costs	23,085	15,503
– Interest income from bank deposits	(570)	(456)
– Impairment losses on trade and other receivables (written back)/made	(2,158)	1,987
– Loss on disposal of property, plant and equipment	1,008	829
– Amortisation of lease prepayments	254	225
– Amortisation of intangible assets	10,938	5,574
– Dividend income from unlisted securities	(2,100)	(900)
<b>Operating profit before changes in working capital</b>	<b>286,316</b>	230,377
Increase in inventories	(95,444)	(69,014)
Increase in trade and other receivables, deposits and prepayments	(10,101)	(43,602)
Decrease/(increase) in amount due from a fellow subsidiary	15,751	(3,795)
(Decrease)/increase in trade and other payables	(42,376)	6,316
Decrease in amount due to holding company	–	(1,240)
<b>Cash generated from operation</b>	<b>154,146</b>	119,042
PRC income tax paid	(90,767)	(57,399)
<b>Net cash generated from operating activities</b>	<b>63,379</b>	61,643

## Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Notes	2005 RMB'000	2004 RMB'000
<b>Investing activities</b>			
Interest received		570	456
Payment for purchase of property, plant and equipment		(20,362)	(18,347)
Proceeds from sales of property, plant and equipment		3,453	541
Payment for construction in progress		(86,422)	(85,450)
Payment for acquisition of subsidiaries	33	(16,473)	–
Payment for purchase of land use rights		(178)	(5,675)
Payment for purchase of intangible assets		(10,188)	(820)
Dividends received from other investments		3,000	–
<b>Net cash used in investing activities</b>		<b>(126,600)</b>	<b>(109,295)</b>
<b>Financing activities</b>			
Decrease/(increase) in pledged deposits		20,045	(20,045)
Proceeds from new bank loans		687,150	290,000
Repayment of bank loans		(579,750)	(220,000)
Proceeds from other loan		3,270	–
Interest paid		(27,239)	(15,503)
Dividend paid		–	(766)
Capital contributions from minority interests		1,100	2,600
<b>Net cash from financing activities</b>		<b>104,576</b>	<b>36,286</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>41,355</b>	<b>(11,366)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>76,506</b>	<b>87,872</b>
<b>Cash and cash equivalents at 31 December</b>	26	<b>117,861</b>	<b>76,506</b>

The notes on pages 56 to 114 form part of these financial statements.