

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

	2005 RMB'000	2004 RMB'000
<b>Operating activities</b>		
Profit before taxation	<b>196,663</b>	158,764
Adjustments for:		
Depreciation	<b>12,024</b>	12,356
Amortisation of intangible assets	<b>120</b>	21,448
Interest income	<b>(3,351)</b>	(655)
Finance costs	<b>23,353</b>	17,614
Share of losses of jointly controlled entity	<b>187</b>	–
Loss on disposal of property, plant and equipment	<b>39</b>	53
Changes in fair value on trading securities	<b>(887)</b>	–
<b>Operating profit before changes in working capital</b>	<b>228,148</b>	209,580
Increase in inventories	<b>(214,025)</b>	(122,503)
Increase in trade and other receivables	<b>(970)</b>	(29,286)
Increase/(decrease) in trade and other payables and non-current payables	<b>134,413</b>	(33,619)
<b>Cash generated from operations</b>	<b>147,566</b>	24,172
PRC income tax paid	<b>(49,365)</b>	(47,495)
<b>Net cash generated from/(used in) operating activities</b>	<b>98,201</b>	(23,323)

The notes on pages 40 to 85 form part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT *(continued)*

For the year ended 31 December 2005

	2005 RMB'000	2004 RMB'000
<b>Investing activities</b>		
Payment for purchase of property, plant and equipment	<b>(12,688)</b>	(45,084)
Payment for purchase of intangible assets	<b>(23,083)</b>	(34,162)
Proceeds from disposal of property, plant and equipment	<b>74</b>	639
Cash acquired for acquisition of subsidiaries, net of cash paid	<b>965</b>	–
Acquisition of additional interests in subsidiaries from minority shareholders	–	(6,000)
Interest income received	<b>3,351</b>	655
Payment for addition in interests in associates	–	(960)
Payment for addition in a jointly controlled entity	<b>(5,000)</b>	–
Increase in pledged bank deposits	<b>(130,025)</b>	–
Payment for purchase of trading securities	<b>(41,905)</b>	–
<b>Net cash used in investing activities</b>	<b>(208,311)</b>	(84,912)
<b>Financing activities</b>		
Net proceeds from shares issued under the Offering and Placement and the over-allotment option related to the Placement	<b>364,253</b>	–
Capital contribution from minority shareholders	<b>14,850</b>	–
Proceeds from bank loans	<b>612,000</b>	681,198
Repayment of bank loans	<b>(696,198)</b>	(483,500)
Repayment of other loans	–	(38,000)
Finance costs paid	<b>(23,473)</b>	(17,576)
Dividend paid to shareholders	<b>(92,150)</b>	(32,598)
Dividend paid to minority shareholders	<b>(4,850)</b>	(6,969)
<b>Net cash generated from financing activities</b>	<b>174,432</b>	102,555
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>64,322</b>	(5,680)
<b>Cash and cash equivalents at 1 January</b>	<b>78,180</b>	83,860
<b>Cash and cash equivalents at 31 December</b>	<b>142,502</b>	78,180

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