

Consolidated Cash Flow Statement

(For the year ended 31 December 2005)

(All amounts in RMB thousand unless otherwise stated)

	Note	2005	2004
Cash flows from operating activities			
Cash generated from operations	31	67,925	83,290
Interest received		1,480	902
Interest paid		(6,229)	(6,512)
Income tax paid		(5,757)	(3,987)
Net cash generated from operating activities		57,419	73,693
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	33	(4,417)	–
Refund of deposit for acquisition of land use rights	7	–	5,000
Acquisition of property, plant and equipment	6	(70,577)	(34,826)
Increase in intangible assets	8	(4,316)	(3,561)
Increase in available-for-sale financial assets	9	(300)	–
Decrease/(increase) in pledged bank deposits		31,800	(31,800)
Decrease/(increase) in bank deposits with original maturity over three months	14	58	(3,180)
Advance to an employee		–	(2,506)
Repayment of advance to an employee		–	2,506
Net cash used in investing activities		(47,752)	(68,367)
Cash flow from financing activities			
Proceeds from issue of shares	16(e)	61,764	168,222
Share issuance costs	17	(478)	(21,225)
Proceeds from borrowings		135,624	112,471
Repayment of borrowings		(126,941)	(125,100)
Redemption of convertible bonds	19	(14,054)	–
Decrease in amounts due to directors		(1,646)	(331)
Capital contribution from a minority shareholder		–	300
Dividends paid to the Company's equity holders	30	(11,535)	–
Net cash generated from financing activities		42,734	134,337
Net increase in cash and cash equivalents			
		52,401	139,663
Cash and cash equivalents at beginning of the year		205,543	65,880
Exchange losses on cash and cash equivalents		(36)	–
Cash and cash equivalents at end of the year	15	257,908	205,543

The notes on pages 44 to 92 are an integral part of these consolidated financial statements.