

Consolidated Cash Flow Statement

At 31 December 2005

	2005 RMB'000	2004 RMB'000
OPERATING ACTIVITIES		
Profit before taxation	123,623	108,471
Adjustments for:		
Interest income	(1,015)	(379)
Finance costs	32,616	18,176
Depreciation and amortization	28,258	18,075
Loss on disposal of property, plant and equipment	–	6
Operating cash flows before movements in working capital	183,482	144,349
Increase in inventories	(113,928)	(52,207)
Increase in trade and other receivables	(56,472)	(133,511)
Increase in bills receivable	(1,000)	–
Increase in trade and other payables	48,313	100,576
Increase in bills payable	73,644	34,960
Net cash from operating activities	134,039	94,167
Interest received	1,015	379
Income tax paid	(281)	–
NET CASH FROM OPERATING ACTIVITIES	134,773	94,546
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(409,953)	(244,655)
Increase in pledged bank deposits	(48,526)	(55,817)
Purchase of intangible assets	(12,914)	(6,374)
Prepaid lease payments	(11,954)	–
Proceeds from disposal of property, plant and equipment	–	3
NET CASH USED IN INVESTING ACTIVITIES	(483,347)	(306,843)
FINANCING ACTIVITIES		
New bank and other borrowings raised	813,209	587,761
Proceeds from issue of shares	211,061	–
Net proceeds on issue of convertible bonds	158,397	–
Repayment of bank and other borrowings	(769,912)	(287,939)
Interest paid on bank and other borrowings	(32,616)	(18,176)
Increase in amounts due to related parties	(16,051)	(38,037)
Payment of share issue expenses	(9,397)	–
Dividend paid (including minority shareholders)	–	(1,370)
NET CASH FROM FINANCING ACTIVITIES	354,691	242,239
INCREASE IN CASH AND CASH EQUIVALENTS	6,117	29,942
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	54,451	24,509
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash	60,568	54,451