

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005 (Expressed in RMB)

	2005 RMB'000	2004 RMB'000
Operating activities		
Profit before taxation	16,930	86,014
Adjustments for:		
Depreciation and amortisation	29,888	29,978
Interest income	(1,007)	(35)
Finance costs	7,739	5,524
Net (gain)/loss on disposal of property, plant and equipment	(17)	533
Operating profit before changes in working capital	53,533	122,014
(Increase)/decrease in inventories	(14,241)	7,237
(Increase)/decrease in trade and other receivables	(16,057)	5,957
Increase/(decrease) in trade and other payables	25,495	(25,215)
Cash generated from operations	48,730	109,993
PRC income tax paid	(1,645)	(9,793)
Net cash from operating activities	47,085	100,200
Investing activities		
Payment for purchase of property, plant and equipment	(206,194)	(52,321)
Proceeds from disposal of property, plant and equipment	36	2,070
Payment for purchase of additional interests in a then subsidiary	-	(49,800)
Payment for land use right premiums	(6,428)	-
Interest received	1,007	35
Net cash used in investing activities	(211,579)	(100,016)
Financing activities		
Proceeds from new bank loans	113,000	183,682
Repayment of bank loans	(129,000)	(80,232)
Repayment of loan from a related company	-	(1,300)
Advances from equity shareholders of the Company	90,227	38,719
Proceeds from convertible notes	4,085	-
Proceeds from shares issued	208,934	107
Distributions to the then equity shareholders	(89,852)	(38,719)
Share issue expenses	(25,210)	-
Contributions from minority interests	12,727	-
Other finance costs paid	(13,209)	(6,007)
Net cash generated from financing activities	171,702	96,250
Net increase in cash and cash equivalents	7,208	96,434
Cash and cash equivalents at the beginning of the year	106,453	10,019
Effect of foreign exchange rate changes	(76)	-
Cash and cash equivalents at the end of the year	113,585	106,453

The notes on pages 40 to 80 form part of these financial statements.