

# CONSOLIDATED CASH FLOW STATEMENT

CO-PROSPERITY HOLDINGS LIMITED

For the year ended 31 December 2005

	<b>2005</b>	2004
	<b>RMB'000</b>	RMB'000
Operating activities		
Profit before taxation	<b>114,503</b>	76,789
Adjustments for:		
Interest income	<b>(90)</b>	(16)
Interest expenses	<b>6,273</b>	3,311
Depreciation and amortisation	<b>18,471</b>	12,875
Operating lease rentals in respect of land use rights	<b>279</b>	103
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Operating cash flows before movements in working capital	<b>139,436</b>	93,062
Increase in inventories	<b>(65,281)</b>	(32,757)
Increase in trade and other receivables	<b>(85,832)</b>	(12,721)
Decrease (increase) in amounts due from directors	<b>10,330</b>	(10,330)
(Decrease) increase in trade and other payables	<b>(5,094)</b>	43,095
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Cash (used in) from operations	<b>(6,441)</b>	80,349
PRC income tax paid	<b>(3,593)</b>	(2,760)
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Net cash (used in) from operating activities	<b>(10,034)</b>	77,589
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Investing activities		
Interest received	<b>90</b>	16
Purchase of property, plant and equipment	<b>(23,687)</b>	(99,805)
Purchase of land use rights	<b>(2,949)</b>	(2,554)
Deposits paid for acquisition of property, plant and equipment	<b>(16,758)</b>	(11,718)
Decrease (increase) in pledged bank deposits	<b>3,236</b>	(6,060)
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Net cash used in investing activities	<b>(40,068)</b>	(120,121)
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For the year ended 31 December 2005

	<b>2005</b>	2004
	<b>RMB'000</b>	RMB'000
Financing activities		
Interest paid	<b>(6,273)</b>	(3,311)
(Repayment to) advance from a director	<b>(21,194)</b>	25,949
Mortgage loan raised	–	6,233
Repayment of mortgage loan	<b>(530)</b>	(418)
Other loans raised	<b>17,720</b>	–
Bank loans raised	<b>123,292</b>	82,059
Repayment of bank loans	<b>(61,996)</b>	(49,700)
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Net cash from financing activities	<b>51,019</b>	60,812
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Increase in cash and cash equivalents	<b>917</b>	18,280
Cash and cash equivalents at 1 January	<b>19,282</b>	1,002
Effect of foreign exchange rate changes	<b>53</b>	–
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Cash and cash equivalents at 31 December	<b>20,252</b>	19,282
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Analysis of the balances of cash and cash equivalents		
Bank balances and cash	<b>20,252</b>	19,282
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