

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2004

	2004 RMB'000	2003 RMB'000
OPERATING ACTIVITIES		
Profit before taxation	137,148	165,714
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	38,048	28,285
Deficit (surplus) arising on revaluation of property, plant and equipment	614	(466)
Gain on deemed disposal of a partial interest in a subsidiary	–	(3,447)
Gain on disposal of a subsidiary	(778)	–
Gain on disposal of an associate	(25)	–
Share of loss of an associate	–	34
Loss on disposal of property, plant and equipment	20	58
Amortisation of intangible assets	666	665
Amortisation of goodwill	397	–
Amortisation of negative goodwill	(2,080)	(1,742)
(Reversal of) allowances for bad and doubtful debts	(629)	944
(Reversal of) allowances for slow-moving inventories	(816)	3,131
Unrealised loss on other investment	22	–
Interest income	(3,459)	(1,407)
Interest expense	34,488	26,220
Operating cash flows before movements in working capital	203,616	217,989
Increase in inventories	(43,748)	(91,533)
Increase in trade and other receivables	(213,742)	(262,272)
Increase in amounts due from related companies	(4,952)	(3,276)
Decrease (increase) in amount due from an associate	23,519	(23,519)
Increase in trade and other payables	125,258	192,138
Increase in amounts due to related companies	4,334	3,175
Cash generated from operations	94,285	32,702
PRC enterprise income tax paid	(12,145)	(5,044)
Interest paid	(34,488)	(26,220)
NET CASH FROM OPERATING ACTIVITIES	47,652	1,438

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FOR THE YEAR ENDED 31ST DECEMBER, 2004

	NOTES	2004 RMB'000	2003 RMB'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(124,724)	(101,233)
Acquisition of intangible assets		(41,783)	–
Increase in pledged bank deposits		(25,855)	(5,225)
Increase in loans receivable		(8,489)	–
Acquisition of a subsidiary (net of cash and cash equivalent)	32	(4,584)	–
(Advance to) repayment from directors		(641)	683
Increase in other investment		(400)	–
Interest received		3,459	1,407
Proceeds from disposal of an associate		400	–
Proceeds from disposal of property, plant and equipment		317	385
Proceeds from disposal of a subsidiary (net of cash and cash equivalent)	33	104	–
Investment in an associate		–	(409)
NET CASH USED IN INVESTING ACTIVITIES		(202,196)	(104,392)
FINANCING ACTIVITIES			
New bank and other borrowings raised		631,892	454,762
Funds contributed by minority shareholders		4,500	20,530
Repayment of bank and other borrowings		(459,748)	(328,986)
Dividend paid		(32,165)	(33,065)
Net proceeds from issue of shares		–	106,320
NET CASH FROM FINANCING ACTIVITIES		144,479	219,561
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(10,065)	116,607
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		259,212	142,903
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		26	(298)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		249,173	259,212