

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST DECEMBER, 2005

	2005 RMB'000	2004 RMB'000 (Restated)
OPERATING ACTIVITIES		
Profit before taxation from continuing and discontinued operations	124,738	137,148
Adjustments for:		
Depreciation of property, plant and equipment	45,294	37,717
Release of prepaid lease payments	1,348	797
Deficit arising on revaluation of property, plant and equipment	215	614
Gain on deemed disposal of a subsidiary	(22,087)	–
Gain on disposal of a subsidiary	–	(778)
Gain on disposal of an associate	–	(25)
Discount on acquisition of a subsidiary	(5,061)	–
Share of result of an associate	3,906	–
(Gain) loss on disposal of property, plant and equipment	(266)	20
Amortisation of intangible assets	6,962	666
Amortisation of goodwill	–	397
Amortisation of negative goodwill	–	(2,080)
Recognition (reversal) of impairment for bad and doubtful debts	31,583	(629)
Reversal of impairment for slow-moving inventories	(878)	(816)
Decrease in fair value of investment held for trading	28	–
Unrealised loss on other investment	–	22
Interest income	(1,424)	(3,459)
Interest expense	38,576	34,488
Operating cash flows before movements in working capital	222,934	204,082
Increase in prepaid lease payments	(6,007)	(2,949)
Increase in inventories	(278)	(43,748)
Increase in trade and other receivables	(194,765)	(213,742)
Increase in amounts due from related companies	(8,472)	(5,192)
(Increase) decrease in amount due from an associate	(40,744)	23,519
Increase in trade and other payables	161,465	125,258
Increase in amounts due to related companies	7,416	4,574
Increase in amount due to an associate	1,586	–
Cash generated from operations	143,135	91,802
PRC enterprise income tax paid	(9,379)	(12,145)
NET CASH FROM OPERATING ACTIVITIES	133,756	79,657

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FOR THE YEAR ENDED 31ST DECEMBER, 2005

	Notes	2005 RMB'000	2004 RMB'000 (Restated)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(36,830)	(122,241)
Increase in pledged bank deposits		(24,075)	(25,855)
Acquisition of a subsidiary (net of cash and cash equivalent)	37	(12,895)	(4,584)
Acquisition of intangible assets		(8,397)	(41,783)
Consideration (paid) received from deemed disposal/ disposal of a subsidiary (net of cash and cash equivalent)	38	(18,840)	104
Decrease (increase) in loans receivable		8,489	(8,489)
Interest received		1,424	3,459
Proceeds from disposal of property, plant and equipment		740	317
Repayment from (advance to) directors		107	(641)
Decrease in other investment		—	(400)
Proceeds from disposal of an associate		—	400
NET CASH USED IN INVESTING ACTIVITIES		(90,277)	(199,713)
FINANCING ACTIVITIES			
Repayment of bank and other borrowings		(667,650)	(459,748)
Interest paid		(38,576)	(34,488)
Dividend paid		(22,884)	(32,165)
New bank and other borrowings raised		625,825	631,892
Funds contributed by minority shareholders		7,758	4,500
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(95,527)	109,991
NET DECREASE IN CASH AND CASH EQUIVALENTS		(52,048)	(10,065)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		249,173	259,212
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		174	26
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		197,299	249,173