

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

		2005 RMB'000	2004 RMB'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		349,936	257,243
Adjustments for:			
Finance costs	6	8,306	5,345
Share of profits and losses of associates		–	(1,476)
Interest income		(52,925)	(31,215)
Dividend income from long term investments	5	–	(218)
Depreciation	7	56,391	17,726
Amortisation of intangible assets	7	2,298	837
(Gain)/loss on disposal of subsidiaries	5,7	(175)	11
Impairment of goodwill	7	696	6,887
Gain on disposal of long term investments	5	–	(13)
Excess over the cost of a business combination recognised in the income statement	5	–	(863)
Loss on disposal of property, plant and equipment	7	2,964	769
Provision for doubtful debts	7	–	55
Provision/(write-back of provision) for slow-moving inventories	7	(62,742)	43,767
Equity-settled share option expense	7	7,226	–
Operating profit before working capital changes		311,975	298,855
Increase in inventories		(757,365)	(355,344)
Increase in trade receivables, bills receivable, prepayments, deposits and other receivables		(1,021,623)	(194,036)
Increase in trade payables, bills payable, other payables and accruals		1,771,936	718,230
Decrease in deferred income		(19,999)	(34,646)
(Increase)/decrease in deferred expenditure		(9,220)	55,788
Decrease/(increase) in property under development		20,085	(4,985)
Cash generated from operations		295,789	483,862
Taxes paid		(63,999)	(38,505)
Net cash inflow from operating activities		231,790	445,357

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

	Notes	2005 RMB'000	2004 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		52,925	31,215
Purchases of items of property, plant and equipment		(380,533)	(257,583)
Proceeds from disposal of items of property, plant and equipment		90,772	–
Additions to investments in subsidiaries		(2,500)	(1,350)
Proceeds from disposal of long term investments		–	513
Purchases of intangible assets	16	(7,538)	(3,340)
Disposal of subsidiaries	36	3,907	(2,107)
Dividends received from associates		–	1,950
Proceeds from disposal of associates		–	5,735
Cash outflow from Equity Transfer	1	(163,018)	–
Dividends received from long term investments		–	218
Acquisition of subsidiaries	35	(79,832)	(7,565)
Increase in pledged deposits		(547,848)	(13,490)
Net cash outflow from investing activities		(1,033,665)	(245,804)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		740,000	284,000
Repayment of bank loans		(596,000)	(201,000)
Capital contribution by minority shareholders		4,297	3,995
Proceeds from issue of shares upon the Global Offering	32(c)	1,226,497	–
Share issue expenses	32(c)	(72,885)	–
Proceeds from issue of shares upon the exercise of the Financial Investors' Option	32(d)	142,106	–
Proceeds from issue of shares of the Company	32(a)	413,514	–
Dividends paid to minority shareholders		–	(550)
Interest paid	6	(9,190)	(5,825)
Net cash inflow from financing activities		1,848,339	80,620
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,046,464	280,173
Cash and cash equivalents at beginning of year		494,943	214,770
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,541,407	494,943
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	278,057	494,943
Time deposits	27	1,263,350	–
		1,541,407	494,943