

## Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 RMB'000	2005 RMB'000
<b>Cash flows from operating activities</b>		
Profit before taxation	218,127	174,750
Adjustments for:		
Interest income	(4,289)	(934)
Interest expenses	171	236
Depreciation	2,696	2,826
Amortisation of prepaid lease payments	43	43
Share-based payment expenses	525	–
Operating profit before working capital changes	217,273	176,921
Increase in prepayments, deposits and other receivables	(18,207)	(4,051)
Increase in inventories	(2,470)	(50)
Increase in trade receivables	(60,159)	(60,917)
Decrease in amounts due from directors	–	89
Decrease in amounts due from related companies	–	834
Increase in trade payables	2,209	1,396
Increase in accruals and other payables	3,193	8,926
Increase/(decrease) in amounts due to a director	25	(114)
(Decrease)/increase in amounts due to a related company	(10,968)	3,336
Cash generated from operation	130,896	126,370
PRC enterprise income tax paid	(31,904)	(23,044)
Net cash generated from operating activities	98,992	103,326

## Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 RMB'000	2005 RMB'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(55,773)	-
Interest received	4,289	934
<b>Net cash (used in)/generated from investing activities</b>	<b>(51,484)</b>	934
<b>Cash flows from financing activities</b>		
New bank loan raised	-	6,000
Repayment of bank loan	(6,000)	-
Issuance of share capital	337,428	-
Share issuance expenses	(20,277)	-
Interest paid	(171)	(236)
Dividend paid	(106,131)	(64,571)
<b>Net cash generated from/(used in) financing activities</b>	<b>204,849</b>	(58,807)
<b>Net increase in cash and cash equivalents for the year</b>	<b>252,357</b>	45,453
<b>Cash and cash equivalents at beginning of year</b>	<b>156,456</b>	111,491
<b>Effect of foreign exchange rate changes, net</b>	<b>(6,368)</b>	(488)
<b>Cash and cash equivalents at end of the year</b>	<b>402,445</b>	156,456

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The notes on pages 37 to 68 form part of these financial statements.