

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 RMB'000	2005 RMB'000
<b>Operating activities</b>		
Profit before taxation	387,034	342,452
Adjustments for:		
Interest income	(44,779)	(17,817)
Depreciation of property, plant and equipment	29,733	25,792
Operating lease rentals in respect of land use rights	328	328
Gain on disposal of property, plant and equipment	(28)	(3)
Operating cash flows before movements in working capital	372,288	350,752
Increase in inventories	(2,746)	(17,286)
Decrease in bills receivables	71,047	52,656
Decrease (increase) in trade and other receivables	5,371	(1,612)
Decrease in amount due from a related company	155	203
Increase in trade and other payables	11,837	75,407
Increase (decrease) in amount due to a related company	587	(1,831)
Cash generated from operations	458,539	458,289
PRC Enterprise Income Tax paid	(41,130)	(6,043)
Net cash from operating activities	417,409	452,246
<b>Investing activities</b>		
Interest received	35,334	17,817
Government grants received	400	5,400
Proceeds from disposal of property, plant and equipment	314	110
Purchase of property, plant and equipment	(23,219)	(73,054)
Increase in pledged bank deposits	(1,882)	–
Acquisition of additional interest in a subsidiary	–	(80,846)
Net cash from (used in) investing activities	10,947	(130,573)
<b>Financing activities</b>		
Dividends paid	(181,940)	(82,700)
Repurchase of shares	–	(10,178)
Dividend paid to minority shareholders	–	(6,714)
Net cash used in financing activities	(181,940)	(99,592)
Net increase in cash and cash equivalents	246,416	222,081
Cash and cash equivalents at beginning of the year	1,347,605	1,146,592
Effect of exchange rate changes	(12,007)	(21,068)
Cash and cash equivalents at end of the year, representing bank balances and cash	1,582,014	1,347,605