



Consolidated Cash Flow Statement

for the year ended 31 December 2006
(Expressed in Renminbi)

	Note	2006 RMB'000	2005 (restated) (Note 1(c)) RMB'000
Operating activities			
Profit before taxation		39,277	45,814
Adjustments for:			
– Depreciation and amortisation		27,293	26,681
– Interest income		(2,935)	(1,443)
– Loss/(gain) on disposal of property, plant and equipment		6	(122)
– Equity settled share-based payment expenses		4,558	–
– Interest expense		3,552	2,480
Operating profit before changes in working capital		71,751	73,410
Decrease/(increase) in inventories		9,406	(4,242)
Decrease in trade and other receivables		7,603	39,824
Increase/(decrease) in trade and other payables		30,893	(4,954)
Cash generated from operations		119,653	104,038
PRC tax paid		(5,576)	(7,306)
Interest paid		(3,552)	(2,480)
Net cash generated from operating activities		110,525	94,252
Investing activities			
Payment for purchase of property, plant and equipment		(4,909)	(12,302)
Proceeds from disposal of property, plant and equipment		21	276
Payment for construction in progress		(30,970)	(10,969)
Interest received		2,935	1,443
Consideration for the acquisition	1(c)	(8,796)	–
Lease prepayment		(9,118)	–
Acquisition of minority interest of a subsidiary		(300)	–
Decrease in pledged deposits		–	4,091
Net cash used in investing activities		(51,137)	(17,461)

The notes on pages 44 to 94 form part of these financial statements.



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	Note	2006	2005
			(restated)
		RMB'000	(Note 1(c)) RMB'000
Financing activities			
Net proceeds from issuance of shares by placing and public offering		–	50,764
Proceeds from new bank loans		77,600	98,227
Dividends paid to the equity shareholders of the Company/the then equity holders		(16,224)	(83,983)
Repayment of bank loans		(44,474)	(111,872)
Proceeds from capital injection from intermediate holding company	1(c)	–	9,387
Net cash used in financing activities		16,902	(37,477)
Net increase in cash and cash equivalents		76,290	39,314
Cash and cash equivalents at 1 January		97,951	59,595
Effect of foreign exchange rate changes		(2,081)	(958)
Cash and cash equivalents at 31 December	20	172,160	97,951