

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006	2005
	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	46,645	43,562
Adjustments for:		
Finance costs	1,620	1,408
Interest income	(4,149)	(486)
Depreciation	3,241	3,133
Amortisation of prepaid land lease payments	76	65
Loss on disposals of property, plant and equipment	52	144
Reversal of impairment losses on receivables	(851)	—
Allowance for receivables	346	1,672
Allowance for inventories	190	—
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Operating profit before working capital changes	47,170	49,498
Increase in inventories	(1,902)	(1,245)
Decrease in trade receivables	2,191	2,498
Increase in gross amount due from customers for contract work	(49,873)	(5,748)
Increase in prepayments, deposits and other receivables	(3,713)	(2,268)
Decrease in amounts due from directors	1,843	3,178
Decrease in amounts due from related companies	874	2,791
(Increase)/decrease in pledged bank deposits	(664)	5,631
Increase/(decrease) in trade payables	25,442	(1,570)
Increase/(decrease) in gross amounts due to customers for contract work	1,394	(3,492)
Increase/(decrease) in accruals and other payables	9,942	(1,697)
Decrease in amounts due to related companies	(2,688)	(14,850)
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Cash generated from operations	30,016	32,726
Income taxes paid	(3,108)	(1,929)
Other finance costs	(1,572)	(1,272)
Finance leases charges paid	(48)	(136)
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Net cash generated from operating activities	25,288	29,389
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CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,149	486
Additions of prepaid land lease payments	(13)	(30)
Purchases of property, plant and equipment	(5,598)	(6,260)
Proceeds from disposals of property, plant and equipment	1,119	50
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Net cash used in investing activities	(343)	(5,754)
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Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006	2005
	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease payables	(1,440)	(2,219)
Proceeds from issue of shares	161,485	—
Share issue expenses paid	(7,857)	—
Dividends paid to then shareholders	—	(32,340)
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Net cash generated from/(used in) financing activities	152,188	(34,559)
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NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Effect of foreign exchange rate changes	(2,042)	(143)
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CASH AND CASH EQUIVALENTS AT 1 JANUARY	38,961	50,028
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CASH AND CASH EQUIVALENTS AT 31 DECEMBER	214,052	38,961
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ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	213,345	38,961
Pledged bank deposits	707	—
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	214,052	38,961
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Pledged bank deposits can be reconciled to the consolidated balance sheet as follows:

	2006	2005
	RMB'000	RMB'000
Pledged bank deposits (mature in three months or less)	707	—
Pledged bank deposits (mature after three months)	840	176
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	1,547	176
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